

**ANALYSIS OF STRATEGIC RESOURCES OFFERING COMPETITIVE
ADVANTAGE IN BOMET COUNTY**

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DECLARATION AND APPROVAL

I hereby declare that this research is my original work and has not been submitted to any institution for the purposes of examination or academic award.

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DEDICATION

I dedicate this research work to my dear parents George Kipkemoi Tole, and Tapnyobi Tole, my wife Lucy Kirui, my children Crispus, Lamba, Anthony, Newton and Kibet Tole

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May God bless you all.

ABSTRACT

Resources are the main economic factors that any developing country must strategize in order to bring wealth. Bomet County is endowed with many resources yet to be fully exploited. However the productivity is comparatively low, livelihood is low due to low income yet it has abundant resources. The objective of this research was to evaluate resources in Bomet County, to establish specific resources that may give Bomet County competitive advantage and to determine the likely resources exploitation combination that may offer competitive advantage in Bomet County. This study focused on leveraging of competitive advantage in Bomet County on resources to generate wealth. The literature review is based on Resource Based View Theory and Michael Porters' Five Points have been pointed out as the basis of resource development. Ecological factors (land, water, tourism, human resources) were the strategic resources offering competitive advantage in Bomet County for high level of productivity, price leadership and high quality service. In the research methodology, the survey design was adopted in collecting primary and secondary data from relevant authorities of ministries in Bomet County, targeting the use of resources and capabilities. The targeted population were government officers in land, water, tourism, public administration and education ministries who were directly involved in the use of strategic resources. The total number of identified population was 138 out of which 78 were issued with questionnaires. Questionnaires and interview schedules were the research instruments used. Secondary data included periodicals and ministerial reports on relevant areas. Data analysis was done using SPSS. Descriptive Analysis (percentages, frequencies and averages) followed by data presentation and discussions on bar graphs, pie charts and tables. The study concludes that maximum utilization of strategic resources will offer competitive advantage in Bomet County. Therefore the study recommends that further studies to be carried on how to implement the strategies of converting resource to generate maximum wealth.

Key words: Strategic, Resources, competitive advantage, Bomet County

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ABBREVIATIONS

HR	Human Resource
HRM	Human Resource Management
ICT	Information Communication Technology
IT	Information Technology
KBE	Knowledge Based Economy
KM	Knowledge Management
KNBS	Kenya National Bureau of Standard
MDG	Millennium Development Goals
OECD	Organization for Economic Cooperation and Development
PRSP	Property Reduction Strategy Paper
R&D	Research and Development
RBV	Resources Based view
SPSS	Statistical Package for Social Science
STI	Science, Technology, Innovation

CHAPTER ONE

INTRODUCTION

1.1 Competitive Advantage

Competitive advantage exists when a firm is able to deliver the same benefit as competitors but at lower cost (Cost Advantage) or deliver benefit that exceed those of competing product (differentiation advantage). The theory suggests that states and businesses should pursue policies that create high quality goods to sell at high prices in the market. Porters (1995) emphasize productivity growth as the focus of national strategies. Competitive advantage rests on the notion that cheap labour is ubiquitous. Competitive advantage is necessary for satisfied customers who will receive high value of delivered products for higher income that the owners request from management and such requirement can be fulfilled with possible production, higher application and as low as possible production costs(Ranko, Benslav and Anthur, 2008). Barney (1991) suggests that the resources that are scarce and valuable at the same time can create competitive advantage and if these resources are also difficult to duplicate, substitute and hard to deliver, they can sustain the advantage.

Competitive advantages occur when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors. These attribute can include access to natural resources, such as high grade ores, or inexpensive power or access to highly trained and skilled personnel human resources. Competitive advantage is the ability to stay ahead of potential competitors, thus superior performance through competitive advantage will ensure market leadership. Differentiation strategy is usually developed around many characteristics such as product quality, technology and innovativeness, reliability, brand image, firm reputation, durability and customer service which must be difficult for the rival to imitate (Moses, 2010). The following are the factors which contribute to competitive advantages: Technology and innovation, Human Resources, Organizational structure, Strategies, Strategy-cost leadership, strategy-differentiation focus, strategy – cost focus. The theoretical and practical aspect of the competitive advantages is applicable to the same process in Bomet County.

1.1.2 Competitive Advantage of Bomet County

Bomet is one of the 47 counties in Kenya, its headquarters' is located in Bomet town, with an urban population of 4,426 and a total population of 42,024 (KNBS 1999). It is located along the B3 road between Nairobi and Kisii via Narok. The main economic activities were farming and business. The biggest challenge facing Kenya today is high levels of poverty among its citizens. Kenya's current Poverty Reduction Strategy Paper (PRSP) perceives poverty as inadequacy of incomes and deprivation of basic needs and rights, and lack of access to productive assets, as well as social infrastructure and markets. Poverty is largely a rural phenomenon and prevalence of absolute poverty in rural Kenya is 49.1% (GOK, 2007). It is noteworthy that the first of the Millennium Development Goals (MDG) targets to reduce the proportion of people whose income is less than \$1 a day and who suffer from hunger by half by the year 2015 (United Nations, 2006).

Kenya's Vision 2030 intends to have a globally and prosperous Kenya by the year 2030. The overall objectives are to realize a higher and sustainable growth of the economy in a more equitable environment, accompanied by increased employment opportunities. Studies on Kericho and Bomet Districts Development Plans revealed several stalled projects. It has also mentioned factors that have caused poverty and no analytical and mitigating factors have been documented. Kenya's Vision 2030 has given a guide to the whole country. Many natural resources such as land, tourism and water are not fully utilized in Bomet County. The study focused on analysis of Strategic Resources and a capability offering competitive advantage in Bomet County. Bomet County is endowed with many natural resources. Among them are agriculture, tourism, energy, water and human resource. The study aims at critically analyzing the natural resources and capabilities strategic management to apply competitive advantage in raising the living standard in Bomet County. Each county is strategizing itself to maximize on the use of the resources for wealth maximization.

A lot of studies and proposals have been done on the same subject (Bomet County District Development Plan-2011) but the main problems have been intervention and "Strategic" implementation of the projects/programs targeted. The study focused on analysis of resources and capabilities shareholders value maximization of wealth basically through agriculture and livestock, re-structuring and re-engineering of behavior management. Entrepreneur and Technology education should be enhanced to produce Knowledge-Based Economy (K.B.E) as it has been applied in South

Korea and Singapore. The successful application of competitive advantage of USA, China, India, South Korea and Singapore can be applied in Bomet County to enhance its economy. In 1963, Kenya was a head of Asian Tigers (Hong Kong, Taiwan, Singapore and South Korea) but they are far ahead from Kenya today.

1.2 Statement of the Problem

Bomet County is endowed with many resources among them fertile land that holds agriculture, livestock, tourism, energy, water and human resource. However, the productivity is comparatively low, livelihood is low due to low income yet it has abundant resources. Therefore, the study aims to establish to what extent the potentials available in the county have been strategically used to give it competitive advantage over other counties

1.3 Research Objectives

1.3.1 General Objectives

To establish how the resources available in Bomet County are used as a source of competitive advantage.

1.3.2 Specific Objectives

- a) To identify strategic resources in Bomet County necessary for competitive advantage
- b) To establish the level of use of tangible resources that give Bomet County competitive advantage.
- c) To determine the extent of use of intangible resources exploitation combination strategies that offer competitive advantage for Bomet County.

1.4 Research Questions

- a) What are the strategic resources available in Bomet County necessary to give it competitive advantage?

- b) To what extent have strategic tangible resources been used to give Bomet County competitive advantage?
- c) To what extent have strategic intangible resources been employed to give Bomet County competitive advantage?

1.5 Significance of the Study

The study was carried out so as to identify resources in Bomet County; it further identified those that were unique to the county and the likely exploitation strategies that will yield competitive advantage for the county.

1.6 Justification of the Study

Bomet County is highly populated according to statistics of 1999 (Kenya National Bureau of Statistics), however it has lagged behind in terms of productivity. This study therefore, seeks to address, by identifying the resources in the county and possible ways that can be used to exploit them in order to yield competitive advantage for the county.

1.7 Scope of the Study

The study will focus on all five sub- counties of Bomet: - Sotik, Chepalungu, Bomet East, Bomet Central and Konoin. The data collection targeted relevant heads of the sub- counties and divisions.

1.8 Limitation of the study

The major limitations in this study were shortage of time to collect the data and limited funds to carry out the research. Some of the respondents did not know about the strategic resources and even those informed were not ready to assist in providing the relevant information hence moral hazards.

1.9 Definition of Terms

- Appropriate technology** : This is the technical and business education received in higher learning institutions relevant to a particular area Bomet County requires entrepreneurial business, technical education.
- Competitive advantage** : An advantage that a firm has over its competitors, allowing it to generate greater sales.
- Capabilities** : A firm's capacity to deploy resources that works Together combining intangible and tangible resources with human resource.
- Knowledge based economy** : It is the use of knowledge technologies to produce economic benefits.
- Resources** : This refers to land on which agriculture and livestock are the main ingredients; water and tourism are the other two factors. Human resources is a key factor in any developing country.
- Strategy** : This is a high level plan to achieve one or more goals under conditions of uncertainty.
- Sustainable competitive advantage:** Competitive advantage that results in profitability for a long time and putting a head of competition in long-run
- Strategic leadership** : It is a manager's potential to express a strategic vision for the organization or a team and to motivate others to follow that vision with the objective of achieving the laid down Profit/success.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter gives an insight of literature of various countries that were applicable to Bomet County and the proper use of resources and capabilities to achieve competitive advantage. However their exploitation has not been fully maximized due to inadequate strategic planning in Bomet County.

2.1.1 Application of Competitive Advantage

Competitive advantage is the focal point of strategy and a basic concept in strategic management. This advantage is developed by differentiating an organization in special business conferred with other competitors in the opinion of stakeholders particularly customers. The customers must mentally feel that the organization in question is able to create more value for him/her than other competitors. If an organization does not possess competitive advantage, it cannot survive in the long run. The more the difference between the organization and the other competitors the more suitable and strong the competitive advantage will be. Competitive advantage is a result and sustainability is a situation created after the failure of imitative and patterning attempts of factors causing competitive advantage. What makes an organization a successful one in the long run is possession of sustainable competitive advantage. Opportunism and shortsightedness will not create success in the long run. An organization cannot purchase sustainable competitive advantage from the market, but it has to acquire it through creating superior ability in managerial activities. This competitive advantage to be created, conquered and maintained by an organization (Powell and Dent-Micallef 1997)

Competitive advantage is the ability to stay ahead of present or potential competition, thus superior performance reached through competitive advantage will ensure market leadership. Resources and strategy held by a firm will have a profound impact on generating competitive advantage. Differentiation strategy is usually developed around many characteristics such as product quality, technology and innovativeness, reliability, brand image, firm reputation, durability, and customer service, which must be difficult for rivals to imitate (Moses, 2010). A firm implementing a

differentiation strategy is able to achieve a competitive advantage over its rivals because of its ability to create entry barriers to potential entrants by building customer and brand loyalty through quality offerings, advertising and marketing techniques. Thus, a firm that implements a differentiation strategy enjoys the benefit of price-inelastic demand for its product or service. In addition, Barney (1991) emphasized the ability of firms to establish entry obstruction in order to prevent imitation from its competitors and take advantage of their resource for the purpose of sustaining the international competitive advantage

2.1.2 Sources of competitive advantage

Technology and innovation for competitive advantage

The term innovation has a commercial aspect different from scientific research. Innovation has a very important role in economic development of countries, because innovative companies, through commercializing their research and development results, are creating new and non-existent value. Furthermore these same companies are getting an important share of the newly created value. By this way, they are mainly creating wealth for themselves, for their country and for the world. Innovation includes both product / service and process innovations. Product innovations are products that are perceived to be new by either the producer or the customer; the latter includes both end-users and distributors. Process innovation refers to new processes which either reduce the cost of production or enable the production of new products (Harmsen, Grunert, and Declerck, 2000). In spite of the increasing importance of innovation and the role played by technological capabilities in a firm's growth trajectory, little is known how technological innovation in different organizations is driven by their technology strategy, the plan that guides the accumulation and deployment of technological resources and capabilities (Dasgupta, Sahay, and Gupta, 2009). That is, the most innovative firms engage in a continual search for better products, services, and ways of doing things. They try to continuously upgrade their internal capabilities and other resources. Aggregate innovative capacity of a nation is derived from the collective innovative capacity of its firms.

The more innovative firms a nation has, the stronger that nation's competitive advantage. Innovation also promotes productivity, the value of the output produced by a unit of labor or capital. The more productive a company is, the more efficiently it uses its resources. The more productive the firms in a nation are, the more efficiently the nation uses its resources (Knight, 2007).

Innovation and entrepreneurial activity are the engines of long-run economic growth. Often, entrepreneurs first commercialize innovative new products and processes, and entrepreneurial activity provides much of dynamism in an economy. For example, the economy of the United States has benefited greatly from a high level of entrepreneurial activity, which has resulted in rapid innovation in products and processes.

2.1.3 Human resources for competitive advantage

Human resources are a term used to describe the individuals who comprise the workforce of an organization, although it is also applied in labor economics to, for example, business sectors or even whole nations. Firms can develop this competitive advantage only by creating value in a way that is difficult for competitors to imitate. Traditional sources of competitive advantage such as financial and natural resources, technology and economies of scale can be used to create value. However, the resource-based argument is that these sources are increasingly accessible and easy to imitate. Thus they are less significant for competitive advantage especially in comparison to a complex social structure such as an employment system. If that is so, human resource policies and practices may be an especially important source of sustained competitive advantage (Jackson and Schuler, 1995).

Within the best practices approach to strategic HRM, the first practice, internal career opportunities, refers to the organizational preference for hiring primarily from within. Second, training systems refers to whether organizations provide extensive training opportunities for their employees or whether they depend on selection and socialization processes to obtain required skills. Third, appraisals are conceptualized in terms of outcome-based performance ratings and the extent to which subordinate views are taken into account in these ratings. Fourth, employment security reflects the degree to which employees feel secure about continued employment in their jobs. Although formalized employment security is generally on the decline, organizations may have either an implicit or an explicit policy. Fifth, employee participation, both in terms of taking part in www.ccsenet.org/ijbm International Journal of Business and Management Vol. 6, No. 5; May 2011 decision making and having opportunities to communicate suggestions for improvement, has emerged as a strategic HRM practice. Sixth, job description refers to the extent jobs are tightly and clearly defined so that employees know what is expected of them.

Finally, profit sharing reflects the concern for overall organizational performance on a sustainable basis. (Akhtar1, Ding, and Gloria, 2008) Ulrich and Yeung (1989) argue that the future HR professional will need four basic competencies to become partners in the strategic management process. These include business competence, professional and technical knowledge, integration competence and ability to manage change. Human Resources seeks to achieve this by aligning the supply of skilled and qualified individuals and the capabilities of the current workforce, with the organization's ongoing and future business plans and requirements to maximize return on investment and secure future survival and success. In ensuring such objectives are achieved, the human resource function purpose in this context is to implement the organization's human resource requirements effectively but also pragmatically, taking account of legal, ethical and as far as is practical in a manner that retains the support and respect of the workforce.

2.1.4 Organizational structure for competitive advantage

Organizations are a variant of clustered entities. An organization can be structured in many different ways, depending on their objectives. The structure of an organization will determine the modes in which it operates and performs. Organizational structure allows the expressed allocation of responsibilities for different functions and processes to different entities such as the branch, department, workgroup and individual. Individuals in an organizational structure are normally hired under time-limited work contracts or work orders, or under permanent employment contracts or program orders. Also, this correlate of changing structures and processes is reinforced by increased competitive pressure forcing companies to focus on their core competencies, redrawing their boundaries around what constitute and support their competitive advantage. This pressure is reflected in the changing organizational structures from a functional to a multi-divisional one, through the shifting of business towards smaller, decentralized units. When superior skills or resources exist outside the company, firms are making increased use of strategic alliances to supplement and sometimes enhance their own competencies. Whenever by alliances, outsourcing or down scoping, firms appear to be drawing in their boundaries around narrower spheres of activities (Petison and Johri, 2006).An effective organizational structure shall facilitate working relationships between various entities in the organization and may improve the working efficiency within the organizational units.

Organization shall retain asset order and control to enable monitoring the processes. Organization shall support command for coping with a mix of orders and a change of conditions while performing work. Organization shall allow for application of individual skills to enable high flexibility and apply creativity. When a business expands, the chain of command will lengthen and the spans of control will widen. When an organization comes to age, the flexibility will decrease and the creativity will fatigue. Therefore organizational structures shall be altered from time to time to enable recovery. If such alteration is prevented internally, the final escape is to turn down the organization to prepare for a re-launch in an entirely new set up.

2.1.5 Strategies for Competitive Advantage

The differentiation and cost leadership strategies seek competitive advantage in a broad range of market or industry segments. By contrast, the differentiation focus and cost focus strategies are adopted in a narrow market or industry. A firm positions itself by leveraging its strengths. Porter (1985) has argued that a firm's strengths ultimately fall into one of two headings: cost advantage and differentiation. By applying these strengths in either a broad or narrow scope, three generic strategies result: cost leadership, differentiation, and focus. These strategies are applied at the business unit level. They are called generic strategies because they are not firm or industry dependent. The following Porter's generic strategies:

2.1.6 Strategy - Differentiation Focus

This strategy involves selecting one or more criteria used by buyers in a market - and then positioning the business uniquely to meet those criteria. This strategy is usually associated with charging a premium price for the product often to reflect the higher production costs and extra value-added features provided for the consumer. Differentiation is about charging a premium price that more than covers the additional production costs, and about giving customers clear reasons to prefer the product over other, less differentiated products. Firms that succeed in a differentiation strategy often have the following internal strengths: - access to leading scientific research, highly skilled and creative product development team, strong sales team with the ability to successfully communicate the perceived strengths of the product and corporate reputation for quality and innovation.

2.1.7 Strategy - Cost Leadership

With this strategy, the objective is to become the lowest-cost producer in the industry. Many (perhaps all) market segments in the industry are supplied with the emphasis placed minimizing costs. If the achieved selling price can at least equal (or near) the average for the market, then the lowest-cost producer will (in theory) enjoy the best profits. This strategy is usually associated with large-scale businesses offering standard products with relatively little differentiation that are perfectly acceptable to the majority of customers. Occasionally, a low-cost leader will also discount its product to maximize sales, particularly if it has a significant cost advantage over the competition and, in doing so, it can further increase its market share. Firms that succeed in cost leadership often have the following internal strengths: - access to the capital required making a significant investment in production assets; this investment represents a barrier to entry that many firms may not overcome, skill in designing products for efficient manufacturing, for example, having a small component count to shorten the assembly process, high level of expertise in manufacturing process engineering and efficient distribution channels.

2.1.8 Strategy - Differentiation Focus

In the differentiation focus strategy, a business aims to differentiate within just one or a small number of target market segments. The special customer needs of the segment mean that there are opportunities to provide products that are clearly different from competitors who may be targeting a broader group of customers. Companies following focused differentiation strategies produce customized products for small market segments. They can be successful when either the quantities involved are too small for industry wide competitors to handle economically, or when the extent of customization (or differentiation) requested is beyond the capabilities of the industry wide differentiator. The important issue for any business adopting this strategy is to ensure that customers really do have different needs and wants in other words that there is a valid basis for differentiation and that existing competitor product are not meeting those needs and wants.

2.1.9 Strategy - Cost Focus

Companies that compete by following cost leadership strategies to serve narrow market niches generally target the smallest buyers in an industry (those who purchase in such small quantities

those industry wide competitors cannot serve them at the same low cost). Here a business seeks a lower cost advantage in just one or a small number of market segments. The product will be basic perhaps a similar product to the higher-priced and featured market leader, but acceptable to sufficient consumers.

2.2 The Resource Based View Theory

The Resource-Based View (RBV) emphasizes the firm's resources as the fundamental determinants of competitive advantage and performance. It adopts two assumptions in analyzing sources of competitive advantage (Barney 1991 and Peteraf and Barney, 2003). First, this model assumes that firms within an industry may be heterogeneous with respect to the bundle of resources that they control. Second, it assumes that resource heterogeneity may persist over time because the resources used to implement firms' strategies are not perfectly mobile across firms (i.e., some of the resources cannot be traded in factor markets and are difficult to accumulate and imitate). Resource heterogeneity is considered a necessary condition for a resource bundle to contribute to a competitive advantage. The argument goes "If all firms in a market have the same stock of resources, no strategy is available to one firm that would not also be available to all other firms in the market" (Cool, Almeida Costa and Dierickx, 2002). Like the Chicago School tradition, the RBV is an efficiency-based explanation of performance differences (Barney, 1991; Conner, 1991; Teece, Pisano and Shuen, 1997; Peteraf and Barney, 2003): "performance differentials are viewed as derived from rent differentials, attributable to resources having intrinsically different levels of efficiency in the sense that they enable the firms to deliver greater benefits to their customers for a given cost (or can deliver the same benefit levels for a lower cost)" (Peteraf and Barney, 2003).

The assumed heterogeneity and immobility are not, however, sufficient conditions for sustained competitive advantage. According to Barney (1991), a firm resource must, in addition, be valuable, rare, and imperfectly imitable and substitutable in order to be source of a sustained competitive advantage. In 1993 Peteraf presents four conditions underlying sustained competitive advantage: superior resources, ex post limit to competition, imperfect resource mobility and ex ante limits to competition. Peteraf and Barney (2003) make clear that Barney's (1991) and Peteraf's (1993) frameworks are consistent once some terms are unambiguously defined. The RBV has developed very interesting contributions, among others, with regard to imitation with the concepts of isolating

mechanisms (Rumelt, 1984), time compression diseconomies, asset mass efficiencies, and causal ambiguity (Dierickx and Cool, 1989). Recently, much resource-based research has focused on intangible assets, which include information (Sampler, 1998), knowledge (e.g. Spender, 1996), and dynamic capabilities (Teece, Pisano and Shuen, 1997). Scrutiny and assessment have pointed to a number of unresolved problems in the resource-based approach. Foss (1998) states that the resource-based perspective does not escape the general problem of finding the appropriate unit of analysis. However, Foss (1998) points out that this choice may only be legitimated if the relevant resources are sufficiently well-defined and free-standing. If, in contrast, there are strong relations of complementarity and co- specialization among resources, it is the way resources are clustered and how they interplay and fit into the system that is important to the understanding of competitive advantage. Foss (1998) recognizes that the concepts ‘capabilities’ and ‘competences’ aim perhaps at grabbing this clustering and interplay.

Porter (1991) and Priem and Butler (2001) assert the circularity of the resource-based view. Priem and Butler argue that Barney’s (1991) statement if a resource is valuable and rare, then it can be source of competitive advantage is necessarily true if the concepts ‘valuable’ and ‘competitive advantage’ are defined in the same terms. Peteraf and Barney (2003) answer this criticism by proposing a more narrow definition of competitive advantage, no more in terms of profitability advantage but in terms of competitive edge. Priem and Butler (2001) identify a second important problem, namely the exogenous nature of value in the RBV. In his response to Priem and Butler, Barney (2001) acknowledges that the determination of the value of a firm’s resources is exogenous to the resource-based theory. While resources represent what can be done, the competitive environment represents what must be done to compete effectively in satisfying customer needs. The neglect of the environment, Foss (1998) says that the RBV needs not restrict its domain of application to the firm because it may in fact add some more fine-grained analysis to the understanding of industry-level competitive dynamics, for instance, by directing attention to the resources that underlie barriers to mobility and entry. Thus, bringing together the firm’s resources and the competitive environment in a single framework could help to understand how resources contribute to performance (Priem and Butler, 2001, a&b) and how resources influence competitive dynamics (Foss, 1998). So, Mahoney and Pandian (1992, p. 374) propose either to integrate the RBV with the organizational economics and dynamic capabilities approach or to utilize the

equilibrium models of industrial organization in order to explain the origins of heterogeneity. Foss and Knudsen (2003) assert that uncertainty and immobility (i.e., sunk cost commitments) should be the only conditions to enter the study of sustained competitive advantage as exogenous elements whereas a host of additional conditions are candidates for inclusion as endogenous elements. They include input heterogeneity in this unbounded list of additional conditions that give shape to competitive advantage. Many of Foss and Knudsen's (2003) conditions relate to the competitive environment, thus supporting my claim for the integration of the competitive environment and the RVB in a single framework.

Finally, Gimeno (1999, p. 101) states that the resource-based research has emphasized the lack of ability of imitators or rivals to erode the market position of a firm as a necessary condition for sustainability, implicitly assuming that any rival capable of eroding the position will do so, and cannot be restrained from pursuing that course of action. With proper knowledge management, strategic planning, a good will and working cultures, Bomet County make use of their endowed resources by using resource based view knowledge to move up the ladder. There are quite abundant resources which are underutilized in Bomet County(e.g. Water, Energy).Over the last two decades, the RBV of the firm has emerged as one of the most dominant theoretical perspectives in the strategic management field (Crook et al., 2008; Newbert, 2007; Priem & Butler, 2001). Barney's (1991) paper is considered as the first formalization of RBV. Based on works by many previous scholars such as Penrose (1959), Wernerfelt (1984), and others, Barney (1991) suggested firms possessing valuable, rare resources and capabilities will attain competitive advantage, which in turn will improve performance.

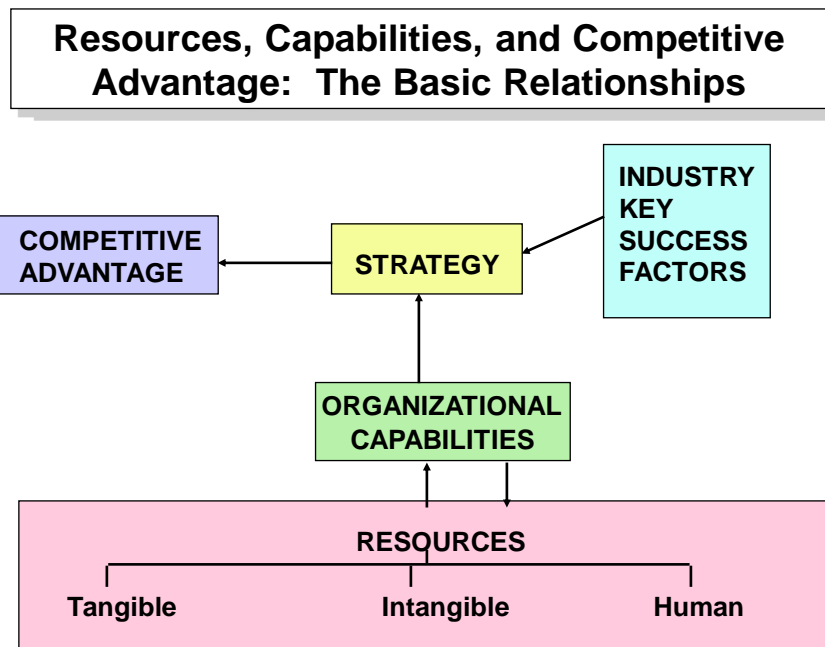


Figure 1: Resources, capabilities and competitive advantage

Source: Grant 2002

In the theoretical works of RBV (Grant, 1991; 2002) attempts to conceptualize a comprehensive framework of relationships among resources, organizational capabilities and competitive advantage (Figure 1). Grant (2002) suggested that the basic and primary inputs into organizational processes were the individual resources of the firm, such as financial capital, physical equipment, intellectual property, reputation, human resources, etc. Nonetheless, in most cases, the resources are not as productive on their own. For the firm to create competitive advantage, individual resources must work together to initially establish organizational capabilities. It can be interpreted that there is no direct link between the individual resources and competitive advantage or performance. Although Newbert (2007) has not linked these four theoretical approaches to Grant's (2002) comprehensive framework, they may be observed through the framework. Specifically, looking at Figure 1 the resource heterogeneity and conceptual level approaches include studies that examine the link between resources or their attributes and competitive advantage or performance.

The organizing approach investigates the relationship between resources or organizational capabilities and performance under the organizing context. The dynamic capabilities approach usually tests processes (resource integration and business operations) that affect competitive advantage or performance. Based on a detailed analysis of all approaches, Newbert (2007) found that the most widely used approach resource heterogeneity was not the one which received the strongest support from empirical tests. It was also concluded that the firm's organizing context and its valuable, rare, inimitable capabilities (dynamic and otherwise) and core competencies may be more important in determining its competitive position rather than its static resources identified mostly by the resource heterogeneity approach. His underlying theoretical logic is link from the organizational capabilities instead of the specific or individual resources to the competitive advantage and then the performance. There are three types of capabilities specific or individual, processes, and organizational capabilities.

Capabilities are characterized as the skills or expertise of employees, or as intangible resources such as reputation or culture (Carmeli&Tishler, 2004; Hadjimanolis, 2000), that seem to be quite specific or individual. In this sense, capabilities are only considered the basic inputs equivalent to the specific resources or parts of overall resources in Grant's (2002) definition (Galbreath, 2005; Grant, 2002; Hall, 1992).On the other hand, in the most recently emerging trend related to the RBV, scholars have been more likely to emphasize the capabilities of a firms rather than its processes. Although many researchers have used different terms, such as "combinative capabilities" (Kogut & Zander, 1992), capabilities (Amit & Schoemaker, 1993), architectural competence (Henderson & Cockburn, 1994), and dynamic capabilities (Eisenhardt & Martin, 2000), these terms all have to do with firm processes that use specific resources, integrate these resources together, reconfigure them and release new resources of competitive advantage. These new resources can be regarded as an output of processes that becomes input for new processes leading to competitive advantage. This third type can be called organizational capabilities as Grant (2002) implied in his comprehensive framework showing the relationships among resources, organizational capabilities and competitive advantage.

2.3 The Analysis of Competitive Advantage Using Michael Porter's Five Forces Model

In essence, the job of the strategist is to understand and cope with competition. As different, from one another as industries might appear on the surface, the underlying drivers of profitability are the same.

The Five Forces That Shape Industry Competition



Figure 2: Michael Porter's five forces model

Source: Michael Porters 1999

If the forces are intense, as they are in such industries as airlines, textiles, and hotels, almost no company earns attractive returns on investment. If the forces are benign, as they are in industries such as software, soft drinks, and toiletries, many companies are profitable. Industry structure drives competition and profitability, not whether an industry produces a product or service, is emerging or mature, high tech or low tech, regulated or unregulated. While a myriad of factors can affect industry profitability in the short run including the weather and the business cycle. Industry structure, manifested in the competitive forces, sets industry profitability in the medium and long run (Michael Porter). The strongest competitive force or forces determine the profitability of an industry and become the most important to strategy formulation. The most

salient force, however, is not always obvious. For example, even though rivalry is often fierce in commodity industries, it may not be the factor limiting profitability. Low returns in the photographic film industry, for instance, are the result of a superior substitute product as Kodak and Fuji, the world's leading producers of photographic film, learned with the advent of digital photography. In such a situation, coping with the substitute product becomes the number one strategic priority. Industry structure grows out of a set of economic and technical characteristics that determine the strength of each competitive force. While using competitive advantage to maximize the use of resources and capabilities, Bomet County should understand Michael Porter five points. Bomet exists as an industry with rivalry among its competitors which is healthy. They have suppliers of raw materials e.g. cattle, beef from Narok county. They have to sell their anticipated products to buyers from other counties. Bomet County has to be aware and prepare for the substitute of their products which might be introduced by other counties when they sell their produce. Bomet County does not exist in a vacuum and therefore they can be subject to new entrants, e.g. tourism industry.

2.4 Key Success Factors that enable a higher return on Competitive Advantage

In a slow or no-growth environment, successful innovation is absolutely essential for companies to establish and maintain a competitive advantage. Nearly nine out of ten executives in the United Kingdom and the United States agree that innovation is as important for success as cost management, and many companies are increasing funding for innovation as they seek growth in an anticipated economic upturn. Innovation is a business process requiring management discipline. Effective innovation requires cross-functional cooperation and accountability throughout the entire process. Selectivity and balance are critical. Successful innovators have a portfolio of innovations in the pipeline, ranging from modest line extensions to bigger bets on new ideas or technologies, the successful innovators keep the portfolio small; but they do focus on the best possibilities for both low and higher-risk ideas. Ongoing trimming of the portfolio prevents the dilutive effect of having too much effort spread over too many projects. Innovation must adopt new technologies.

To keep up with shorter product lifecycles and rapidly evolving consumer demands, companies must leverage new tools which support innovation. Companies can use social media to develop

products and improve service. Social media tools can accelerate innovation at all phases of development, from ideation to prototype development to pilot programs to commercialization. An organization can accomplish more by mobilizing broad horizontal network of participants than it can by leveraging a small group of experts such as corporate development or strategy. A new system based on the principles of crowd sourcing, using Web 2.0 technology and rich Internet applications to effectively source and develops ideas from diverse audiences. Such open innovation fosters internal collaboration and can also encourage cross pollination of ideas from other industries.

2.5 Science, Technology and Innovation (STI)

The integration of Science, Technology and Innovation in national productivity process is central the success of the government's policy priorities and programs out lined in Kenya Vision 2030. The development of necessary scientific and technological infrastructure as well as technical and entrepreneurial skills is essential prerequisite to transform Kenya into knowledge-based society. Introducing innovative ideas into products, processes and services is highly dependent on the presence of a clear defined and supportive policy as well as well having an institutional and legal framework that effectively addresses citizens' needs and aspiration. The capabilities of STI are therefore critical in ensuring sustainable development associated with natural resource management. STI capabilities promote sustainable development especially through social integration, conservation and sustainable management of biodiversity. Consortium on Science, Technology and Innovation for the South-(COSTIS) has defined operational strategies, which may be carried out through concrete projects, initiatives and action-oriented programs to: Analyze the Science, Technology and Innovation (STI) capacity building programs that already exist, their strengths and the possible flaws and the circumstances of their functioning by: Understanding the STI capacity building processes that are already underway in different countries and circumstances, Sharing lessons of experience in building STI capacity, Seeing what STI capacity building programs are working effectively and which are not getting the desired outcomes, and understanding some of the reasons behind the different outcomes.

Discussing how these lessons can be incorporated into future STI capacity building programs and projects, how governments and donor organizations can work together for effective sustainable

STI capacity building programs and exploring gender-related aspects of STI capacity building. Create mechanisms for the networking of research institutions dealing with science and technology, improving the links between universities, research institutions, and scientists through: Linking the global network of universities of the South in periodic meetings to discuss critical issues that affect developing countries, bringing together scientific institutions of North/South and South/South on periodic for on global critical topics, Improve and strengthen programs for disseminating research results of universities and research institutions. Generating a critical mass of technology expertise in targeted areas that offer high growth potential, especially in biotechnology and geo-science. Design University Industry linking programs to strengthen the links between the official and interdependent research sectors and industry in order for research to become an important element of industrial strategy. Improve infrastructure and facilities for R&D, promote sharing of such facilities and extend education and training in developmental and environmental ethical issues. to foster the active participation of stakeholders at the global, regional, sub-regional and national levels in ICT activities, particularly those focused on bridging the digital divide by: developing a network of stakeholders and asking regional and sub-regional groups to appoint ICT panels of recognized ICT leaders from that region in the spirit of developing regional cooperative mechanisms for sustainable development through public/private partnerships. Government has set aside a basket fund of about Rwf400 million to cater for scientific innovations, especially in the areas of Information Communication Technology (ICT), Agriculture and Manufacturing.

2.6 Re-Thinking and Re-Engineering

In today's fast-changing business environment, both managers and individual contributors alike need to have a broad perspective and an awareness of the cultural trends and business developments shaping the world. Many managers are focused on delivering 'today's' business results, preoccupied with daily responsibilities that they fail to position themselves for long-term success. In this period of rapid change economically and business wise around the globe, strategy in business is moving away from the basic strategic planning to more of strategic thinking in order to survive the crowded and competitive global environment. To remain competitive requires organizations to keep their strategic management process dynamic, continuously learning and adaptable and taking advantage of emerging opportunities.

Strategic thinking thus becomes a key competency for leaders and managers responsible for the design and deployment of business and functional strategies. Strategic thinking needs to be at the centre of the entire strategic management process, constantly re-evaluating, re-visiting and re-defining mental models of the business.(Henry Mintzberg 1994), in his article, “The Fall and Rise of Strategic Planning,” states that the label strategic planning should be dropped because strategic planning has impeded strategic thinking. Strategic planning is about analysis while strategic thinking is about synthesis. In practical terms strategic thinking should help to analyze, explore, understand and define a complex situation and then develop planning actions that will bring the greatest possible positive impact towards a pre- defined goal. Strategic planning positions a business in a certain level based on the goals and possible positive changes they intend to achieve. Thinking strategically also helps predict the future of a company. With this it is easier to develop steps on how to get into what has been planned for the future and stay away from paths that may lead to business failure. Moreover, through this kind of thinking, a business is able to become more adaptable to change.

2.7 Building Sustainable Competitive Advantage

A Sustainable Competitive Advantage provides superior business results versus competition through greater efficiency and or a valuable, differentiated, customer offer. It has to be durable, so it lasts over time, and it has to be difficult to imitate, so the competition can't easily copy it. It often results from continuous innovation, so that by the time your competitors have figured out how you do it, you've moved on to something else or added a new twist. Achieving a Sustainable Competitive Advantage is about using and developing competencies, assets, knowledge and skills to create unique and significant value customers in ways that your competition cannot easily match or copy. The key is focus on customers and trends to understand how to use your competencies to create value. Focus involves the entire business products you offer, how you market and distribute them, communicate externally and internally, how you source raw materials and manufacture products, using technology and R&D support, and how you choose which customers, markets and geography to serve. Focus is also about choosing what you don't do, which activities don't add value, and which customers and markets you can't efficiently serve.

Bomet County should established research and development (RD) institute as a competitive advantage tool for monitoring their business progress. Successful implementation of Knowledge Management (KM) is truly measured by its contribution to mission success. However, there are four primary success factors for KM: culture, architecture, services, and a robust infrastructure as highlighted in figure 3 below

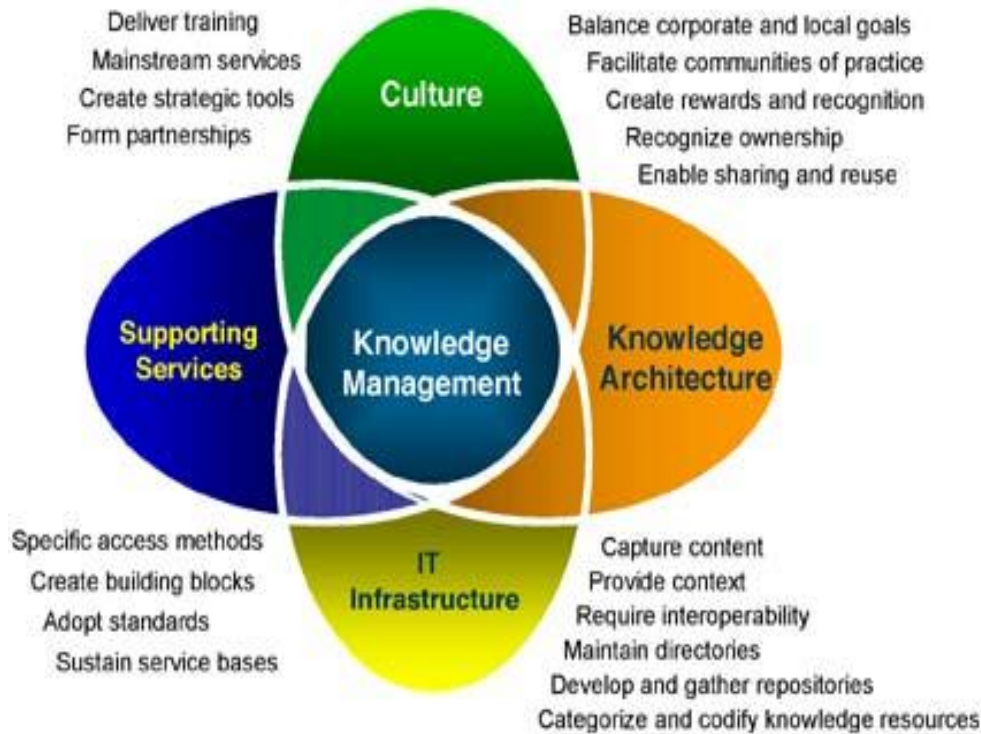


Figure 3: Primary success factors for KM

For business to succeed, it has to weather the storms of competition. One has to be able to beat today's ferocious market forces and volatility; competitive advantage must be sustainable and able to endure the test. Performance is the key to building sustainable advantage, competitive advantage comes from what the people do (performance), not from what they know. Kenyan economy exhibits limited levels on innovation required to foster increased output and productivity improvements necessary for employment and wealth creation. The capacities of the national R&D and innovation system should aim at responding to the needs of activating innovation and enhancing the competitiveness of national industries in the regional and global marketing undertaking policy, legal and institutional reforms. Land is an important factor of

production; it provides the foundation for all other activities such as agriculture, water, settlement, tourism, wildlife and forestry. Apart from its economic importance land in Kenya has cultural value, this makes it one of the most sought-after resource and therefore making it one of the major source of conflict and therefore to give incentives to investors, land reforms will have to address issues concerning land ownership and administration, security of tenure, land use and development and environmental conservation.

Kenya's global competitiveness depends on the ability to create a human resource base that will be constantly subjected to re-training and access to technological learning within employment. Human resource plays a very major role in contributing to efficiency gains in existing economic activities. Kenya's potential lies in its people-their creativity, work ethic, and education, their entrepreneurial and other skills. To ensure significant and consistent result the human resource has to be managed, rewarded and steered to develop global competitiveness. Attracting, retaining and improving the best available resources are perhaps the most difficult and often overlooked of these challenges. Performance-based training is one way to meet this challenge. Performance-based training emphasizes proficiency in job tasks essential to competitive advantage. It is based on clear definition of the tasks, skills and knowledge needed to competently perform each job in an organization. A performance based training program is a planned, organized sequence of activities designed to prepare persons to competently perform their jobs.

Competitive advantage requires that every employee maintain their job performance at the highest levels possible, or improve to meet the need. Training and Performance Improvement departments must be able to guarantee that every learner can demonstrate full competence on every skill taught. Enhancing human performance requires a team of managers and supervisors that can perform as both a well organized management team and have an in-depth understanding of people's basic needs and behaviors. Managers must be able to make business vision a reality by developing employee's abilities in team work, problem solving, and critical thinking. It is not enough to merely have a vision, managers must be able to apply corresponding actions to make it happen. A vision without corresponding action is merely a dream. Action without vision is a

waste of time Vision and corresponding actions will take you to new heights (Joel Barker, Business of Paradigms).

The Government of Kenya regards industrial development as a cornerstone of development, with manufacturing as the engine for export growth, employment creation and income generation. Nevertheless, the Government is fully aware of current technological shortcomings. To quote a governmental planning and strategy document: “Kenya’s industrialization process will not be easily achieved in practice. Unlike the newly industrializing countries, which industrialized under protected domestic markets, Kenya is attempting to achieve the same result with a liberalized market. Markets are also rapidly being globalized and the new information technologies are creating new uncertainties and opportunities. In addition, whereas the current newly industrializing countries industrialized in high growth regions, Kenya is attempting to industrialize in a region with a tradition of low growth. To industrialize in such an environment, Kenyan manufacturers will have to produce goods and services that are internationally competitive in both quality and price The process of industrialization will include a deepening of the industrial sector by creating core and linkage industries, as well as acquiring and adapting relevant technologies to enhance factor productivity” (Republic of Kenya, 1997).

By regional standards, Kenya already has a relatively strong industrial and technological base; the only countries that appear stronger are South Africa and Zimbabwe. However, these are not Kenyan industry’s only competitors. With liberalization and falling transport costs, the most significant competition comes from outside the region – from South and South-East Asia for low-technology goods, and from the Organization for Economic Co-operation and Development (OECD) countries and East Asia for medium- and high-technology items. Kenya requires technological capabilities that match, and even surpass, those of its global competitors. On the role of industrial development, the national view is that Research and development plays a key role in industrialization. The vision to transform Kenya into a newly industrializing country by the year 2030 calls for a critical re-examination of the country’s research and development policies and strategies Kenya’s industrial enterprises are characterized by obsolete technologies and inefficient machinery, often over 20 years old. Information on available sources of technology is poor; indeed, some firms have continued royalty payments long after patent protection has expired. Moreover, domestic engineers have had

little success in adapting imported technologies to the domestic environment. There is little evidence of technology deepening or adapting foreign technologies to produce improved or new products.

Kenya today lacks well-developed capacities to provide advice and information to technology users, has inadequate capacity to screen foreign technologies and is unable to formulate adequate technology-related policies or plans. There will be need for significantly increased skills at the enterprise level and in government institutions to address these shortcomings... Kenya's industrial structure is characterized by an emphasis on low technology products, where technological knowledge is largely embodied in simple equipment, limited skill requirements and relatively self-contained operations. Despite its low technology emphasis, a large part of Kenya's industry is operating well within its available technological boundaries, although its technologies are largely outdated. (Republic of Kenya, 1997). Despite plans for reform and improvement, Kenya's technology and capabilities lag behind those of many countries in Asia and Latin America. Technical dynamism is low: the private sector invests little in research and development and has few links with the official technology infrastructure.

Government efforts in science and technology lack coherence and consequently do not have much relevance to industry. The institutions providing basic services and input into enterprise technological activity are weak. Because policies are focused mainly on the supply side of technology rather than on demand, productive enterprises are neither stimulated nor supported into upgrading their technological level and capacity. The exceptions are a small number of firms that invest in upgrading technologies and training. However, they cannot pull along the whole industrial sector. The rest of the manufacturing sector continues to operate mainly by confining itself to activities where it does not directly compete with foreign producers' i.e. resource-based products or small niche markets. These conditions do not provide a base for sustained growth, nor do they constitute an enabling environment for the diversification and upgrading of exports needed for long-term development.

2.8 Resources in Bomet County

2.8.1 Ecological Factors

Land: Bomet County has very good fertile land. Agriculture and livestock production were the major economic activities in the county. The main food crops were maize, beans, sorghum, and finger millet and Irish potatoes. Tea was the main cash crops. The introduction of maize, milk and meat processing plants will boost the economic activities of Bomet County. They will export and market their products outside the county other than their raw materials are taken to Nairobi to be processed and brought back at high prices. Establishing industries will create jobs for the locals (District development plan 2002, Bomet).

Water: The County is endowed with rainfall distributed throughout the year. It has four larger rivers namely; Amalo/Mara, Nyongores /Chepkulo, Kipsonoi, Itare and many small streams which drain water to Lake Victoria. Huge dams can be constructed at the highland areas and water can flow by gravity to the lowland of Chepalungu, Longisa and Sigor. This water can be used for irrigation. Therefore instead of one planting season it will be two seasons or more and therefore double harvest. Sugar cane which if introduced cannot lack water and therefore high yield. Livestock which would have been trekked for several kilometers for watering can obtain water nearby and therefore high yield of milk. (District development plan 2002, Bomet).

Energy: The County is generating hydro-electric power in Nyongores River (Tenwek Hospital). There are other eight waterfalls among the major rivers which could be equally used to generate power and sold to KENGEN, raising revenue for Bomet County. Damming of the rivers also could generate more power. This is another way of creating job for the locals. (District development plan 2002, Bomet).

Fishery: Creating dams means huge mass of water. An example is 25 acres of land under water within Keringet which could be used for fish farming. These four huge rivers can be used to plant fish (e.g. river Lilongwe in Malawi)

Consumption: There is shortage of clean water for consumption in Bomet County. Hence by tapping water, Bomet County can provide clean water for consumption at a fee, this earning an income.

Tourism: Bomet County's endowed with a unique combination of tourist attraction sceneries comprising of abundant wildlife in natural habitat of Mau forest, scenic beauty and geographical diverse landscape. Tourism is highly competitive and sensitive to price changes, while premium parks and niche products are so unique that can be marketed successfully at high prices. In addition, tourism through its multiplying effect has the capacity in inter county development, create commercial and industrial enterprises, stimulate demand for locally produced goods and services and provide a market for agricultural and livestock products which is a major activity in Bomet. The County has an airport which can be improved as a landing place for tourists on transits to Maasai Mara parks. Chepalungu forest which is of no economic use at the moment can be converted to national parks. Earlier this forest was occupied by Elephants, lions, buffalos, leopards etc. Alternatively, re-a forestation is done so that the exoteric to be planted can be harvested and sold in 20yrs time. Hotel industry can be developed to host guests both internationally and locally. Therefore with the introduction of tourists industry will bring income and job creations in Bomet County (District development plan 2002, Bomet).

2.8.2 Human Resource

Bomet County has abundant human resource which can be developed as a competitive advantage to leverage on resources and convert them to economic products. This requires the leadership to think strategically and provide technical and business education. At the moment Bomet County has few technical institutions training on entrepreneurial and business management. Research and development institutions should be established in order to make Bomet a knowledge-based economy society. Talents and skills can be exported to other counties and other countries (Rwanda, Uganda and Tanzania) of which these personnel will come and invest in Bomet County.

2.8.3 Leadership

For any economic development in any society to take place, it requires well educated, honest, visionary and strategic leaders. The leaders should formulate policies which use the competitive advantage of resources to convert them to high quality products which can be competitively marketed in other counties and other countries. Bomet County has been faced with uncompleted programs and projects which have stalled for several years e.g. Kibusto water project, sugar cane and coffee plantations in Chepalungu. With good leadership, Bomet will be the most competitive county in Kenya (District development plan 2002, Bomet).

2.9 Empirical Studies

A study has been conducted in Bomet County about use of resources to maximize their wealth and consequently improve their living standards (Bomet District Development plan 2008-2012). It analyses the linkage between the district development plan 2008-2012 with medium term plan and long term plan i.e. Kenya vision 2030 and international commitment such as the millennium goals declaration. In this study it focuses on the underutilized resources like Land, Water, and Tourism. It intends to show how Land can be exploited for double production by use of irrigation, water can be used for generation of hydroelectric power, and fishery. Innovation and creativity can turn Bomet County into a tourist attraction centre and its multiplying effects will bring the hotel industry and thus create jobs in the county. The use of land for maximum production of agricultural products and livestock can generate the introduction of industries to process food products e.g. maize, milk and meat. The establishment of a research and development institution will be a great boost to the economy in Bomet County. By 1963, Kenya was ahead of Asian Tigers (Taiwan, Singapore, Hong Kong and South Korea) who are now ahead because of the excellent strategic management of their economy. Most of these countries lacked resources but with the use of a knowledge base-economy and sustainable competitive advantage they have become successful. Bomet County should adapt such useful policies for their development.

2.10 Summary and gaps to be filled by the Study

The gaps to be filled by the study in Bomet are the lack of proper maximum utilization of resources and capabilities to maximize wealth creation which leads to eradication of poverty. The study will analyze methods of full utilization of resources like land, water and tourism. With the coming of the new constitution counties are competing to generate wealth using the available resources. The study points out areas such as developing processing plants (milk and meat industries) in Bomet County than their raw materials being transported to Nairobi and brought back at high price.

2.11 Conceptual Framework

The framework on figure 4 below depicts the relationship that exists between resources moderators and competitive advantage. The resources are the independent variables that contribute to sustainable competitive advantage. The moderating variables are necessary for achievement of the competitive advantage in Bomet County. Competitive advantage refers to a higher level of productivity, price leadership and high service quality achieved by the county above other counties due to its effective and efficient use of resources to improve service delivery and distinguish itself from other competition. In the below, diagram competitive advantage is the dependent variable since it depends on resources. Funds, grants and strategies are moderating factors leveraging of resources to achieve competitive advantage. They affect the way in which resources would deliver sustainable competitive advantage in the county.

Independent variables

Dependent variables

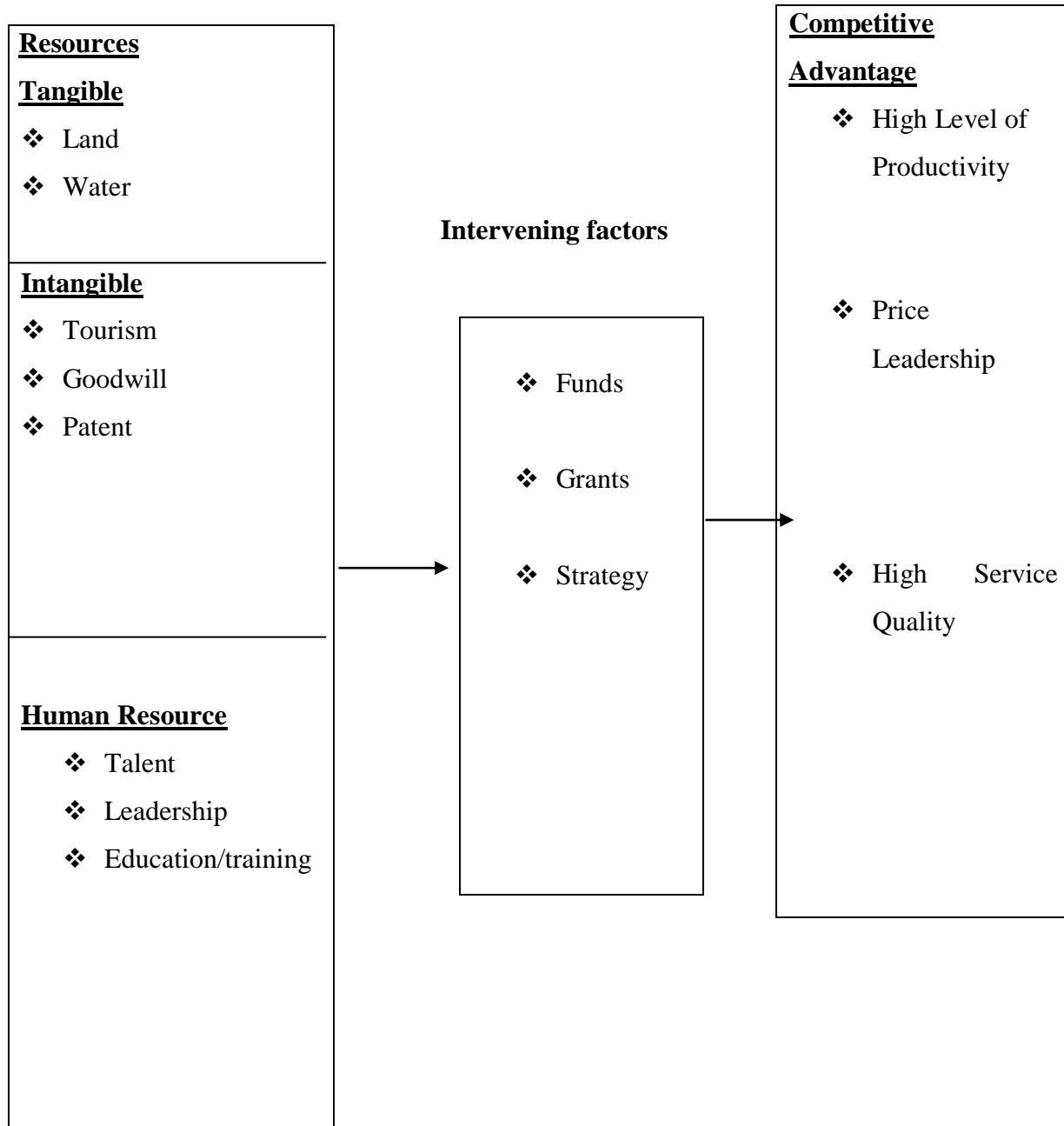


Figure 4: Conceptual framework
Source: Researcher

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter contains a description of methods and procedures that were used to carry out the study.

3.2 Research Design

The researcher used a survey design in collecting primary and secondary data from the relevant authority in the ministries of Bomet County targeting the use of resources and capabilities. The targeted areas were land, water, tourism and human resource.

3.3 Targeted Population

The study population was drawn from all five sub- counties of Bomet County: - Sotik, Konoin, Bomet Central, Bomet East and Chepalungu. The study was based on the specific objectives, questionnaires and conceptual framework. The estimated targeted population was 138county officers out of which 78 respondents were issued with questionnaires and interviewed which was 56.5% of the total population which satisfies the requirement of greater than 30% recommended.

3.4 Sample and Sampling Procedure

Gay (1976) asserts that the minimum number of subjects acceptable for a study depends on the type of research involved. Mugenda & Mugenda (1999) further observed that where a study is dealing with a heterogeneous population, a minimum target of 30% is required. Bomet County has five heterogeneous sub-counties in terms of their ecological and environmental factors; the researcher required a minimum of 30% of the target population. The researcher employed purposive, stratified and random sampling to arrive at the study sample. Purposive sampling was used to select Bomet County as a study area since it was one of the counties with many resources in South Rift Valley.

Bomet County was chosen as a study area since it has many resources. The following category was used: -

Table 1 (a) Categories of officers in the County

Categories	No. of officers
Bomet County headquarter	4
Sub- county: Sotik	4
Konoin	4
Bomet Central	4
Bomet East	4
Chepalungu	4
Divisions:	
Sotik	20
Konoin	12
Bomet Central	4
Bomet East	4
Chepalungu	8
Locations in Bomet County	66
Total	138

Source: Researcher (2013)

Twenty officers were selected from the five Sub-Counties. Random sampling was used to select 32 officers from the division. Also random sampling was used to select 22 officers from 60 locations which was 1/3 of the total locations. The number of officers issued with questioners was 78 out of 138 representing 56.5% which is greater than 30% recommended by research procedures. A total of 58 questionnaires were collected and analyzed representing 40% which is also greater than the 30% recommended.

Table 1b: Respondents sampling

County	No of officers in the county	Sub-County	No of officers in sub county	Div	Total no of officers in div	Samp le office rs in div	Loc	Pop	Sample officers in location	Total
Bomet	4	Sotik	4	5	20	8	66	66		
		Konoin	4	3	12	8				
		BCentral	4	1	4	4				
		B. East	4	1	4	4				
		Chepalungu	4	2	8	8				
Pop size	4		20		48			66		138
Sample Size	4		20			32			22	78
										56.5% >30%

Source: Researcher (2013)

3.5 Research Instruments

To facilitate the collection of primary data personal questionnaires and interviews were used. Secondary internal sources of data included periodicals, ministerial reports on various ministries and employee training manuals. External sources relevant such as journals, publication and internet were used. The questionnaires were closed ended as they were considered the best in collection of primary data since they provide an avenue for the researcher to ask probing questions, they are fast, cheap and can be self-administered (Mugenda & Mugenda 2003). This will allow for probing questions during interview to obtain much information as possible. Nachmais & Nachmais (1996) states that interviews guides and gives the respondent freedom to express his/ her situation in relation to the matter in question.

3.3 Data Analysis

Data analysis involves bringing order, structure, and meaning to the information that has been collected, it involves examining it, making decision and inferences (Kombo&Tromp 2006). The data collected was analyzed based on research questions of the study. The researcher read through the collected data in order to be familiar with it. Questions and notes used to record the relevant data from interviews were edited, refined and coded. As Mugenda & Mugenda (1999) stipulates, the first step in data analysis is to describe data using descriptive statistics as this allows the researcher to meaningfully describe many scores using a small number of indices. These expository approaches allowed the researcher to observe general use of resources in Bomet County. The research used descriptive statistics, SPSS tables, percentages, averages, frequencies, histograms, pie- charts and graphs in data presentation. The data analyzed was used to establish how resources in Bomet County can be used as competitive advantage. The collected questionnaires were used to check for competence, coded and tabulated for analysis by using SPSS.

Measure of strategic resources

Land [agriculture and livestock], water [rivers, dams, power generation and fisheries], Tourism [hotel industry, ecotourism and sceneries] and Human resource [economic activities e.g. hotel industry, retail shop, supermarket, open market, transport etc] were the strategic resources identified

as the most appropriate to be utilized. The rate of exploitation was indicated in the questionnaires as follows;

Table 1c Measure of strategic resources

Resources:	Not at all	Rarely	Average	Highly	Very highly
Land:	1	2	3	4	5
Water resources:	1	2	3	4	5
Tourism	1	2	3	4	5
HR	1	2	3	4	5

Source: Researcher (2013)

The frequency of each resource was tabulated as an average and indicated in the percentages. The rate of utilization of each resource was measured;

Land =56%, Water=40%, Tourism=30%, HR=56%.

Therefore the rate of utilization of a resource is the measure of the use of that resource.

Measure of competitive advantage

The competitive advantage to be achieved was high level of productivity, cost leadership and high quality service.

High level of productivity: -it is understood that the maximum utilization of resources will give a high level of productivity. The measure of the level of utilization of the strategic resources (e.g land, water, tourism, human resource) will indicate the level of productivity.

Cost leadership: - The presence of many finished high quality products which could be sold out at lower cost producing high sales is a measure of cost leadership since the profit will be high.

High quality services: - This is brought about by the availability of academicians and professionals e.g. agricultural engineers, tourism experts and the entrepreneurs. The presence of these professionals will provide the strategic expertise needed to give Bomet County competitive advantage. The questionnaire was used to get the rate of their presence in the County which was expressed as a percentage.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION

4.1 Introduction

Data was collected, analysed, compiled and presented with reference to specific objectives of the study.

4.2 Respondent General Information

This section gives a detailed finding of primary data collected using questionnaires. The study sought to identify the resources in Bomet County. Land, water, tourism and human resource were resources identified for the study. The targeted population was 138. Seventy eight (78) questionnaires were issued to respondents and 58 were collected, this was 43% of the total target population satisfying the required 30% minimum where a study aimed at establishing a relationship between variables through correlation (Mugenda & Mugenda, 1999).

Table 2: Gender - Male or Female Respondents

Gender	Frequency	Percent
Male	41	70.7
Female	16	27.6
Sub Total	57	98.3
Missing Data	1	1.7
Grand Total	58	100.0

Source: Researcher 2013

Table 2 indicates the gender of the respondents. There were 41 males (70.7%) and 16 females (27.6%). The gender population was well represented, since about one-third of any of the gender is the accepted rule in the employment. This shows that also females were aware of strategic resources that offer competitive advantage and therefore they participate in resource utilisation for the benefit of the County.

Table 3: Position held by the respondent

Position held	Frequency	Percent
County Head of department	3	5.2
District Head of department	8	13.8
Division head of department	14	24.1
Location/School Head	4	6.9
Head of Subject in school	25	43.1
Sub Total	54	93.1
Missing Data	4	6.9
Grand Total	58	100.0

Source: Researcher 2013

Table 3 shows the ranks of the respondents who were given questionnaires during the particular study. Most of the respondents were divisional head of departments in the county, sub-county, divisions and school heads. The county is still new and many offices have not been filled due to lack of personnel. Most of the location heads (chiefs and sub-chiefs) were not present in their stations. Schools were visited and the geography, agriculture and business studies teachers were given questionnaires to fill. The teachers had tremendous knowledge on the strategic resources and were able to identify the underutilized resources which if used maximally would generate wealth in Bomet County.

Table 4: Sub-County Heads

	Frequency	Percent
Bomet Central	19	32.8
Sotik	6	10.3
Chepalungu	10	17.2
Bomet East	4	6.9
Konoin	9	15.5
Sub Total	48	82.8
Missing Data	10	17.2
Grand Total	58	100.0

Source: Researcher 2013

Table 4 shows the distribution of the respondents in all the sub-counties. The highest percentage (32.8%) was from Bomet Central since this is where the headquarters of the county is located and both county and sub-county offices are situated. The lowest percentage (6.9%) was from Bomet East, a newly created sub-county with few offices opened. This proves that Bomet County was fully covered during the survey and therefore all the strategic tangible and intangible resources were captured.

Table 5: Government Ministries

	Frequency	Percent
Ministry of Interior and Coordination of National Government	4	6.9
Ministry of Devolution and Planning	3	5.2
Education (Education, Science and Technology)	35	60.3
Health	1	1.7
Environment, Water and Natural Resource	2	3.4
Land, Housing and Urban Development	1	1.7
Agriculture, Livestock and Fisheries	10	17.2
Industrialization and Enterprise Development	1	1.7
Commerce, Tourism and EAC	1	1.7
Total	58	100.0

Source: Researcher 2013

Table 5 shows the government ministries where the respondents worked. The highest number of respondents (60%) were from ministry of education particularly agriculture, geography and business education. The highest percentages of human resource were employed as school teachers. Environment, Water and Natural Resources (3.4%), Agriculture, Livestock and Fisheries (1.7%), Commerce, Tourism and EAC (1.7%) were the ministries where the percentages were very low. This shows that the shortage of manpower in these ministries hampered the utilisation of the strategic resources in the county and therefore lacks competitive advantage to generate wealth.

Table 6: Length of Stay in the Station

	Frequency	Percent
Less than 1 yr	19	32.8
2-5 yrs	20	34.5
6-10 yrs	10	17.2
11-15 yrs	2	3.4
Over 15 yrs	7	12.1
Total	58	100.0

Source: Researcher 2013

Table 6 shows the duration of time the officers have stayed in a particular station. Most of them had stayed for less than 1 year (32.8%) and 2-5 years (34.5%). This is because the county governance is still new and thus recently posted. Experienced and long serving officers were very few, 11-15 years (3.4%) who were relied on for identification of strategic geographical features for full exploitation.

Table 7: Level of Academic Qualification

Academic qualifications	Frequency	Percent
College/Polytechnic Level	5	8.6
Tertiary Level	13	22.4
University Level	38	65.5
Sub Total	56	96.6
Missing Data	2	3.4
Grand Total	58	100.0

Source: Researcher 2013

Table 7 shows that most of the respondents (65%) were university graduates and therefore gave accurate information and knowledge about resource exploitation in the County. This is a strength and advantage since with high number of graduates and with proper technical and business skills, they can be utilised for high productivity in the county.

Table 8: Area of Specialisation

Specialization	Frequency	Percent
Engineering	1	1.7
ICT /Technology	1	1.7
Agriculture	15	25.9
Medicine	1	1.7
Education	23	39.7
Finance	1	1.7
Statistics	1	1.7
Livestock/Fisheries	1	1.7
Other Social Service	1	1.7
Any other Specify	10	17.2
Sub Total	55	94.8
Missing Data	3	5.2
Grand Total	58	100.0

Source: Researcher 2013

Table 8 Shows that Agriculture (25.9%), Education (39.7%) were the highest in the County and therefore are strengths to be exploited. ICT (1.7%), Statistics (1.7%), Livestock/Fisheries (1.7%) are the strategic areas of specialisation to be upgraded to a higher level and eventually be converted to productivity to generate wealth.

4.3 Evaluation of Strategic Resources Necessary to give Bomet County Competitive Advantage

Bomet County is endowed with many resources that could be exploited for wealth generation. With the introduction of the new constitution and devolution of the government from national to the county level, Bomet County has to strategies on how to get maximum wealth. The most strategic resources are; land, water, tourism and human resource.

Land is one of the greatest potential resources in Bomet County. It has fertile soil and rainfall is evenly distributed throughout the year. The land utilization was found to be poorly used (low-25.9%, average 65.5%) giving a total of 91.4%. Agriculture is the main activity in Bomet County.

Maize, tea, wheat, coffee, sugarcane, pyrethrum are suitable for growing in Bomet. Livestock is another activity prevalent in Bomet County. Dairy farming, beef cattle rearing, poultry keeping are the examples to be exploited. With the introduction of modern technologies like AI, crop rotation and more emphasis on irrigation then yield from Agriculture/Livestock can be doubled.

Water is also another resource with great potential. The level of water utilization was as follows: none (17.2%), very few (58.6%), few (19%) giving a total of 94.4%. Therefore water is an underutilized resource. There are four big rivers emptying a large volume of water into Lake Victoria. These rivers have many waterfalls (about 30f high) yet only one has been utilised (Tenwek Hospital). If damming is done there will be power generation, irrigation, fish farming, sporting activities that could be established for economic gain. Therefore with good visionary leadership with goodwill this should be done to raise the living standards of the people.

Tourism is an untapped resource. The data analyzed shows that 82.8% of tourism industry is not exploited. Bomet has got very many hills, forests, caves, rivers which could provide good scenery for tourist attraction. There are no tourists' hotels and yet there are numerous eco-tourism sites in the area not in use. This requires innovation and creative thinking to develop them and this will expand the hotel industry thus creating more jobs.

Human resource is one of the assets in Bomet County. The respondents indicated that 96.6% of human resource is underutilized. Residents should be trained in various professional and entrepreneurial skills to be more productive. This intangible skill is the one to convert the resources to be of competitive advantage in order to give high level of productivity, cost leadership and improved high level of quality products and services. Universities and tertiary colleges should be established to train personnel on the use of strategic resources to convert them to high quality products for marketing to other counties.

4.4 Extent of use of Strategic Tangible Resources that give Bomet County Competitive Advantage

The specific tangible resources in land are agriculture and livestock. Water is found in dams, rivers and lakes. The beautiful land terrain with hills and valleys attract tourists and human resource

include; business entrepreneurial skills, strategic leadership and prudent financial management Agriculture if fully harnessed can be of great economic value which can be used to propel the county forward. Maize, wheat, horticulture and tea farming are the major activities practised. There are other crops such as sugarcane; pyrethrum and others that can also be exploited. Maize is one of the examples of crops used as a commercial and a subsistence crop.

Table 9: Maize for Both Commercial and Subsistence Purposes

	Commercial purposes		Subsistence purposes	
	Frequency	Percent	Frequency	Percent
Not at all	2	3.4	-	3.4
Rarely	2	3.4	-	3.4
Average	31	22.4	13	53.4
Highly	14	24.1	23	39.7
Very Highly	8	13.8	19	32.8
Sub Total	57	98.3	2	98.8
Missing Data	1	1.7	3	0.2
Grand Total	58	100.0	60	100.0

Source: Researcher 2013

Table 9 shows the extent to which maize farming is practised in Bomet County for commercial and subsistence purposes. For commercial purpose table 9 indicates that (53.4%) was average, 24.1% highly planted similarly for subsistence average was 22.4%. highly 39.7% and 13% very highly. The highest percentage indicated average of 53.4% for commercial farming. Maize is a strategic resource whose exploitation needs to be maximized to yield double produce by use of modern methods of farming. Being a major food crop in Kenya it can be milled packaged and marketed to other counties. Introduction of milling plants will create job opportunities for Bomet County residents hence improving their living standards. For subsistence purpose the residents should continue planting maize so as not to import maize and therefore revenue is retained in the county hence more developments.

Table 10: Wheat Farming for Both Commercial and Subsistence Purposes

	Commercial purposes		Subsistence purposes	
	Frequency	Percent	Frequency	Percent
Not at all	33	25	25	43.1
Rarely	21	24	24	41.4
Average	1	5	5	8.6
Very Highly	1	54	-	-
Total	56	4	-	-
Missing System	2	58	4	6.9
Grand Total	58	100.0	58	100

Source: Researcher 2013

Table 10 indicates that the status of wheat farming for commercial purposes was as follows; not at all (25%), rarely (24%), very highly (54%) has .Bomet County had a heterogeneous terrain consisting of highlands and lowlands. In the highlands wheat was rarely planted while in the lowlands wheat was highly planted. Wheat is a strategic crop to be fully utilised since its products are highly marketable both locally and outside. With the introduction of wheat mill plants many people will secure jobs in the factories, transport and marketing industries. Very rarely was wheat grown for subsistence purposes but this should be encouraged to make the county more food secure in terms of diversification.

Table 11: Horticultural Farming for Both Commercial and Subsistence Purposes

	Commercial purposes		Subsistence purposes	
	Frequency	Percent	Frequency	Percent
Not at all	10	17.2	11	19.0
Rarely	25	43.1	18	31.0
Average	16	27.6	17	29.3
Highly	3	5.2	8	13.8
Very Highly	2	3.4	-	-
Sub Total	56	96.6	54	93.1
Missing Data	2	3.4	4	6.9
Grand Total	58	100.0	58	100.0

Source: Researcher 2013

Table 11 indicates that the horticulture farming for both commercial and subsistence is extremely very low. For commercial farming; - not at all (17.2%), rarely (43.1%) giving a total of 60.3% as low. Horticultural crops have ready market in overseas countries. These horticultural crops were

tomatoes, fruits, sweet potatoes and flowers. Horticultural farming was seen as a strategic resource to be capitalised on to earn revenue and create jobs for the locals. By interviewing horticultural farmers in Konoin sub-County, they reported on sending their flowers to UK.

Livestock farming in Bomet County is mainly practised for subsistence. The climatic conditions of Bomet County favours livestock keeping. Cattle, goats, sheep, pigs and poultry keeping and bee keeping were the strategic the strategic resources to be upgraded in the County.

Table 12: Beef Cattle Rearing for Both Commercial and Subsistence Purposes

	Commercial purposes		subsistence purposes	
	Frequency	Percent	Frequency	Percent
Not at all	6	10	10	17.2
Rarely	15	13	13	22.4
Average	27	25	25	43.1
Highly	5	4	4	6.9
Very Highly	2	52	-	-
Total	55	6	52	87.7
Missing Data	3	58	6	10.3
	58	100.0	58	100
Grand Total				

Source: Researcher 2013

Table 12 indicates that over 46% of beef rearing was practised in the county and that is one of the resources to be fully exploited since there was a ready market outside Bomet County. Beef farming were averagely practised in the county for commercial consumption. The table indicates 50% which could be doubled with the introduction of high technology like AI and increasing the size of ranches. For commercial purposes, beef cattle rearing have been done to 94%. Cross breeding, beef canning, refrigeration, transport services, AI services, packaging are all the modern technologies which will enhance production and subsequent high earning from beef farming. This will create many jobs in the county. The improvement of beef cattle rearing will introduce meat processing plants and packaging and transportation of meat to other towns like Naivasha, Eldoret and Kisumu. At present, the cattle are trekked all the way to Kenya Meat Commission in Nairobi for slaughtering and marketing. When the meat processing plants are established in the county, the price and profit can be controlled by the county. Beef cattle rearing for subsistence farming should be maintained at

the average of 43.1% or improved so as not to use funds for importing meat which could be at high prices draining the county of its resources.

Table 13: Dairy Farming for Both Commercial and Subsistence Purposes

	Commercial purposes		Subsistence purposes	
	Frequency	Percent	Frequency	Percent
Not at all	1	1.7	1	1.7
Rarely	4	6.9	28	48.3
Average	30	51.7	-	-
Highly	13	22.4	16	27.6
Very Highly	5	8.6	6	10.3
Sub Total	53	91.4	51	87.9
Missing Data	5	8.6	7	12.1
Grand Total	58	100.0	58	100

Source: Researcher 2013

Table 13 indicates that the dairy farming for commercial purposes as follows; average (51.4%), highly (22.4%) giving a total of 74.1%. the climatic conditions of Bomet County favours dairy farming. The subsistence dairy farming is as follows; rarely (48.3%), highly (27.6%). This difference is as a result of different areas, highlands and lowlands. Dairy farming is one of the most important strategic resources in Bomet County to be improved. Milk processing plant should be established so as to control milk prices. A case point is in Chepalungu sub-County (Siongiroi) where there is a milk cooling plant. The milk is transported to be processed in Nairobi and brought back to be sold to the locals five times the original price. Introducing milk processing plants create jobs for the residents.

Table 14: Fertilizer-Technology Utilization on Maize Farming

	Frequency	Percent
Not at all	2	3.4
Fairly	4	6.9
Average	1	1.7
Highly	24	41.4
Very Highly	23	39.7
Sub Total	54	93.1
Missing Data	4	6.9
Grand Total	58	100.0

Source: Researcher 2013

Table 14 shows that if fertilizer technology is fully utilised will produce high yield in maize farming. The following percentages of the respondents were captured; highly (41.4%), very highly (39.7%) giving a total of 81.1%. The use of fertilisers and the innovation are the strategic resources exploitation and combination to give competitive advantage in Bomet County

Rivers: There were many in Bomet County which are underutilized. This county has high altitude to the east bordering Mau forest that receives high rainfall. The terrain slopes from Koiwa hills towards Transmara. There are four major rivers; Amalo, Nyongores, Kipsonoi and Itare along with many streams spread all over the county. These rivers carry large volumes of water to Lake Victoria, apart from Tenwek power generation none is utilized. Dams can be constructed for power generation and fish farming. The dammed water can be used for irrigation which flows by gravity.

Table 15: Number of Rivers /Dams

	Rivers		Dams	
	Frequency	Percent	Frequency	Percent
None	2	3.4	8	13.8
Very few	16	27.6	17	29.3
Few	14	24.1	19	32.8
Many	18	31.0	9	15.5
Very Many	3	5.2	1	1.7
Sub Total	53	91.4	54	93.1
Missing Data	5	8.6	4	6.9
Grand Total	58	100.0	58	100.0

Source: Researcher 2013

The table indicates that there are quite abundant numbers of rivers in the county (82.7%). These rivers are not used for irrigation, power generation, fishing and recreational activities. Also it shows that there are few water dams in Bomet County (very few 43.1%).The questionnaire indicates that the only few dams present were not used for irrigation, fishing, recreational activities. Rivers are specific tangible resource to be fully utilized.

Table 16: Irrigation- technology utilization to enhance farm produce

	Irrigation utilization		Rate of produce under irrigation		
	Frequency	Percent	Level	Frequency	Percent
Not applicable	30	51.7	Not at all	14	24.1
Used in a few farms	26	44.8	Fairly	10	17.2
Sub Total	56	96.6	Average	4	6.9
			Highly	14	24.1
			Very High	11	19.0
Sub Total				53	91.4
Missing Data	2	3.4		5	8.6
Grand Total	58	100.0		58	100.0

Source: Researcher 2013

Table 16: Shows the rate at which irrigation technology is utilized to enhance farm produce. Questionnaires distributed shows that response on irrigation technology utilization was as follows: Not applicable (51.7%), used in few farms (44.8%) giving a total of 96.5%. Therefore there is very little exploitation of irrigation technology in Bomet County. Rivers are under utilized in the county. With good leadership, visionary, strategic, honest and talented, this could be harnessed for irrigation purposes so as to harvest farm produce at least twice a year. From the table the rate of produce under irrigation was as follows. Not at all (24.1%), fairly (17.2%), giving a total of 41.3% poor rate of production. This is a strategic resource to be fully maximized. The table also indicates that the respondent showed that 24.1% was very high if there was irrigation. By observation it was noted that Bomet County has many hills; Kiowa, Abosi, Indanai, and Sigor which if water is pumped to this places, most of the drier parts can be put under irrigation.

Tourism is rarely practiced in Bomet County with few tourists visiting the county. By innovation and creativity, tourist attraction sites can be created. There are very many hills, forest sites, caves and waterfalls for local and international tourists to see. Eco-tourists centers could be created as tourists' attraction. Bomet County has rich culture which can be used to enhance eco- tourism. The small airstrip in the county can be upgraded into an airport for tourists on transit to Masaaai Mara Game Reserve. This will require the construction of tourist hotels to accommodate the tourists. Chepalungu forest which originally was home for elephants, buffaloes, lions, leopards has been destroyed. This could be converted to a game park and the animals re-introduced to serve as a tourist attraction site.

Table 17: Tourist's Attraction Sites

	Frequency	Percent
None	24	41.4
Very few	18	31.0
Few	8	13.8
Many	2	3.4
Sub Total	52	89.7
Missing Data	6	10.3
Grand Total	58	100.0

Source: Researcher 2013

Table 17: This indicates the tourism sites in Bomet County. Questionnaires show the following responses: None (41%), very few (31%), giving a total of 72.0%. this shows that tourism industry has not been fully developed in Bomet County. With innovation and creativity, tourists' sites can be developed to give an earning to Bomet County.

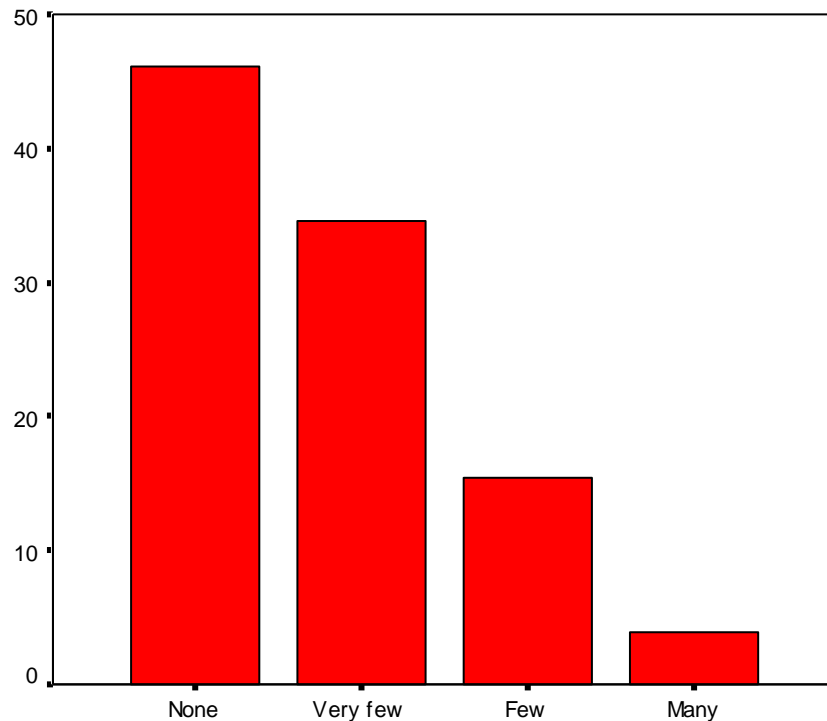


Figure 5: Tourists' attraction site {Researcher 2013}

There are very few tourist sites yet there exists good scenery, hills, caves and waterfalls.

4.5 Extent of Use of Strategic Intangible Resources that give Bomet County Competitive

Advantage

The specific intangible resources are those resources that through exploitation and combination of strategies offer competitive advantage. These are skills like technical, business, entrepreneurship, leadership and strategic management of the resources of the county.

Human resource captures the human services and the nature of hospitality attached to. Very few people in Bomet County engage in hotel industry, wholesales and supermarkets. This is an area where it shows lack of business entrepreneurial skills. Resources availability alone cannot give competitive advantage. It requires good strategies to achieve competitive advantage.

Table 18: Number of People who engage in County-Hotel industry

	Frequency	Percent
None	8	13.8
Very few	27	46.6
Few	9	15.5
Many	7	12.1
Very Many	2	3.4
Sub Total	53	91.4
Missing Data	5	8.6
Grand Total	58	100.0

Source: Researcher 2013

Table 18: Shows the responses on the people engaged in County- Hotel industry. It is related as follows: None (13.8%), very few (46.6%), few (15.5%) giving a total of 75.9%. This shows that hotel industry is not fully exploited. Hospitality is an intangible strategic resource to be fully developed in Bomet County in order to attract both local and international tourists to Bomet County. This requires introduction of Hotel management courses at college level to upgrade the hospitality industry in the County.

Table 19: Mechanical Engineers

	Frequency	Percent
None	2	3.4
Very few	41	70.7
Few	7	12.1
Many	1	1.7
Sub Total	51	87.9
Missing Data	7	12.1
Grand Total	58	100.0

Source: Researcher 2013

The table shows that 70.7% respondents indicated that there are few mechanical engineers in Bomet County. Similar analysis indicates that;-70% of respondents indicates that there are many

educationists,61% of the respondents indicates that there are many agricultural engineers,75% of the respondents indicates that there are few medical personnel,77% of the respondents indicates that there are very few animal husbandries,75% of the respondents indicates that there are very few water engineers and 66.7% of the respondents indicates that there are very few entrepreneurs. There are many educationalists in Bomet County because of the number of schools in the County. There are many agricultural engineers (61%) which is a strength and if fully utilised will maximize agricultural farming in Bomet County and hence high productivity and thus more revenue. The table indicated that there were few medical personnel, animal husbandries, water engineers and very few entrepreneurs. These are the skills highly required yet were missing and if fully capitalised on would make Bomet County one of the leading Counties in Kenya.

Table 20: Leadership

	Professional		Visionary		Strategic	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Neutral	22	37.9	17	29.3	18	31.0
Very Rare	3	5.2	2	3.4	2	3.4
Rare	14	24.1	25	43.1	27	46.6
Common	17	29.3	12	20.7	10	17.2
Very Common	1	1.7	1	1.7	-	-
Sub Total	57	98.3	57	98.3	57	98.3
Missing Data	1	1.7	1	1.7	1	1.7
Grand Total	58	100.0	58	100.0	58	100.0

Source: Researcher 2013

Table 20 indicates that Professional leaders distribution were as follows; neutral (37.9%), rare (24.1%), common (29.3%). This shows that professional leaders are not of high standards in the County and therefore leadership qualities which are highly required for competitive advantage is lacking. This is an impediment in developing resources in the County for productivity. Visionary leadership was as follows; neutral (29.3%), rare (43.1%), common (20.7%). This shows that 29.3% of the respondents did not commit themselves on good leadership. The rating of the visionary leadership in Bomet County is very poor hence poor strategic management of resources, this call for

high level of good will to make Bomet County one of the leading in Kenya. Strategic leadership in Bomet County was as follows; neutral (31%), rare (46.6%) giving a total of 77.6%. this shows that the respondents had low opinion on leadership in Bomet County therefore poor strategic management of the resources. With proper training on strategic leadership and management, strategic resources can offer competitive advantage.

Table 21: Talents Exploitation

	Frequency	Percent
Neutral	6	10.3
Strongly Disagree (SD)	9	15.5
Disagree (D)	17	29.3
Agree (A)	22	37.9
Strongly Agree (SA)	2	3.4
Sub Total	56	96.6
Missing Data	2	3.4
Grand Total	58	100.0

Source: Researcher 2013

Table 21 shows that people in Bomet County do not fully exploit their talents (sports, ICT, cultural, entrepreneurial skills) for the benefit of the community (57.1%). There is less emphasis on sports and cultural activities.

4.6 Level of Utilization of Strategic Resource

Table 22: Level of Land Utilization

	Frequency	Percent
Low	15	25.9
Average	38	65.5
High	4	6.9
Sub Total	57	98.3
Missing Data	1	1.7
Grand Total	58	100.0

Source: Researcher 2013

Table 22 shows the level of land utilization, basically agriculture and livestock. The factors considered during analysis were maize, wheat, tea, cattle rearing and horticulture. The significant

percentages given by the respondents on the level of land factor utilization were as follows; low (25.9%), average (65.5%) giving a total of 91.4%. They agreed that land is averagely used and this indicated that it was not maximally exploited. Land is a strategic tangible resource which when fully used will offer competitive advantage in Bomet County.

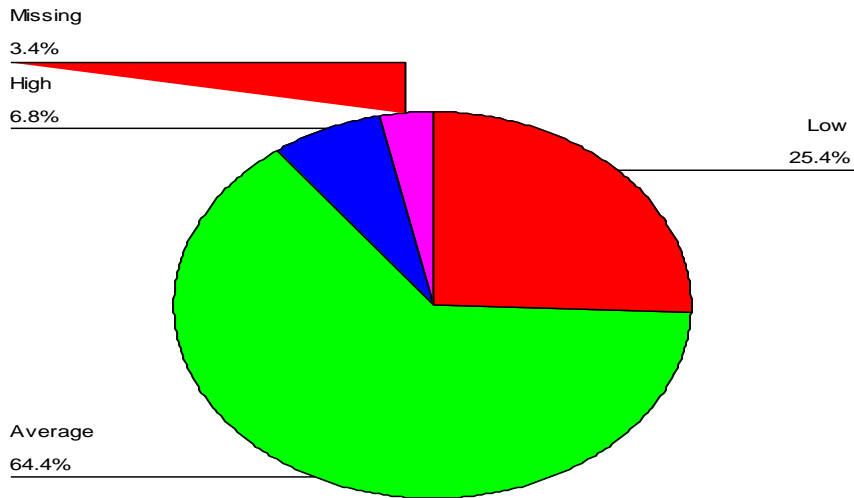


Figure 6: Level of land utilization {Researcher 2013}

Table 23: Level of Water Utilization

	Frequency	Percent
None	10	17.2
Very few	34	58.6
Few	11	19.0
Total	55	94.8
Missing Data	3	5.2
Total	58	100.0

Source: Researcher 2013

Table 23 shows the level of water resource utilization. The following are the levels of water resource utilization; dams, irrigation, fishing, recreational activities, rivers and waterfalls. The significant percentages given as level of water resource exploitation are as follows; none (17.2%), very few (58.6%), few (19%) giving a total of 94.8%. The water resource is extremely underutilised.

This is one of the tangible strategic resources which if Bomet County exploits will earn a lot of income and even specifically supply electricity to the County.

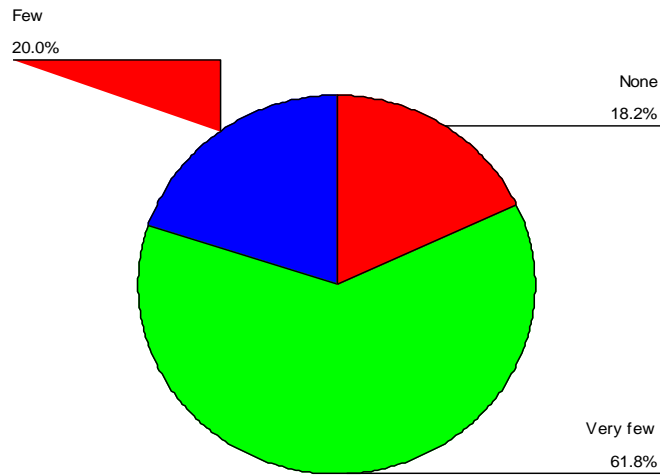


Figure 7: Level on water utilization {Researcher 2013}

Table 24: Level of Human Resource Utilization

	Frequency	Percent
Strongly Disagree (SD)	10	17.2
Disagree (D)	46	79.3
Agree (A)	2	3.4
Total	58	100.0

Source: Researcher 2013

Table 24 shows level on human resources utilization. The human resource factors considered were economic activities like; hotel industry, supermarkets, opens markets, entrepreneurial skills, leadership and professional qualifications. The significant percentages of the respondents were as follows; strongly disagree (17.2%), disagree (79.3%) give a total of 96.6%. Human resource was among the extremely underutilized strategic resources in Bomet County with greater potential.

Table 25: Level of tourism Exploitation

	Frequency	Percent
None	25	43.1
Very few	23	39.7
Few	4	6.9
Total	52	89.7
Missing data	6	10.3
Grand Total	58	100.0

Source: Researcher 2013

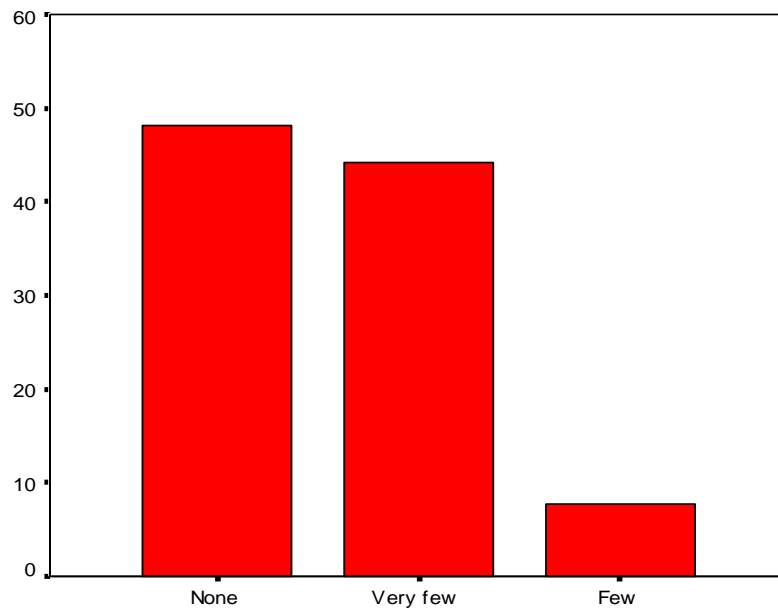


Figure 8: Level on tourism exploitation

Table 25 indicates the level on tourism and the factors on this area were; eco-tourists attraction sites, tourists' hotels and people engaged in tourism industry. The significant percentages on the respondents on mean on tourism were as follows; none (43.1%), very few (39.7%) giving a total of 82.8%. the tourism industry was extremely underutilised yet it is a strategic resource. If tourism industry is developed it would give Bomet County competitive advantage.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives a detailed summary of the findings, conclusion and recommendations of the study.

5.2 Summary

The intangible and tangible resources are not fully utilized in Bomet County. Human resource and Land are both exploited slightly above average (55%) and tourism and water are utilized to about (30%) and (40%) respectively.

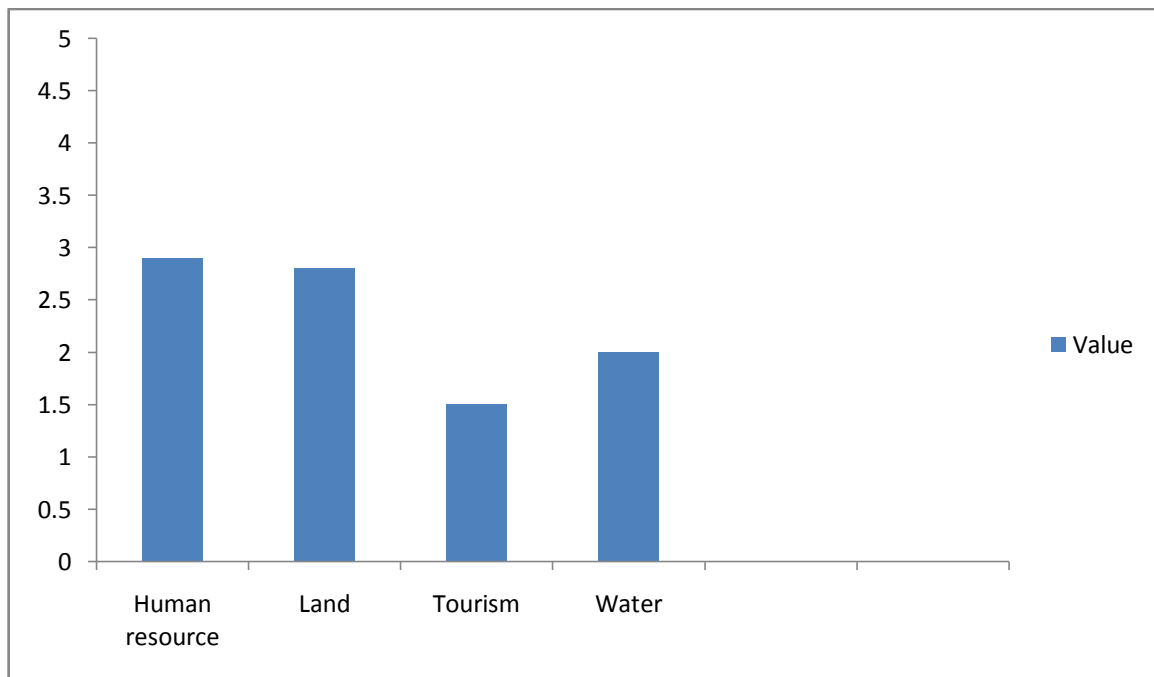


Figure 9: Summary of Resource Utilization

5.2.1 To Identify Strategic Resources in Bomet County necessary for Competitive Advantage

The targeted respondents were of various ages (majority between age 31-45years) and both gender included and about 30% were females. These respondents (93.1%) held various departmental positions e.g. county heads of departments, district heads of department, divisional heads of

department, location chiefs, school heads and school heads of department (geography, agriculture and business). They were distributed among the five districts of Bomet County, Bomet central, Bomet East, Chepalangu, Konoin and Sotik. The targeted departments were land, agriculture, livestock, water, education and tourism. Most of these officers have been in the county for not more than two years. Most of these officers (91.1%) have attended tertiary colleges (22.4%) and universities (65.5%) in their areas of specialization. They confirmed that the major strategic resources in Bomet County were land, water and tourism which if fully exploited would generate wealth and thus reduce poverty in Bomet County. Bomet is endowed with these resources than most of the counties and if properly managed and fully exploited with technology could bring high levels of productivity.

5.2.2 To Establish the level of use of Tangible Resources that give Bomet County Competitive Advantage.

Land holds agriculture and livestock. In agriculture maize, wheat and tea were identified as the best to be maximized to get the more revenue. During analysis it was found out that these crops were averagely produced. With the introduction of irrigation, mechanization of farm inputs (e.g. fertilizers), greenhouse farming there would be high level of productivity. The introduction of processing plants for packaging of maize, wheat and tea will create jobs for many people. The processed products would be marketed to other counties so long as it was of high quality. The climatic conditions favors horticulture and this will be developed and the products especially flowers are exported directly to UK. When tea factories are increased, many people would be employed to provide labour. Beef and dairy farming is a great asset in Bomet County. By interviewing the marketers in Mulot market, the value of the cattle being sold for beef was worth kshs. 22 million per week totaling up to about an average kshs 100 million per month. There is a lot of milk from dairy farming which was transported to Nairobi for processing and marketing. If processing plants are introduced for meat and milk processing, there could be many jobs created for the residents of Bomet. Meat processed would be packaged and transported to other counties hence employing people in the transport industry. Milk which is sold at Kshs. 25 per litre. This is cooled and transported to Nairobi for processing and packaging and then later brought back to Bomet to be sold at Kshs.120 per litre. With the introduction of new technologies of ranch farming, paddocks,

cross breeding, beef cattle rearing and dairy farming the productivity level of Bomet County could double or even triple. Water is a resource which generates the following specific strategic resources; irrigation, fishing and generation of power. Analysis of the data indicated that these areas were underutilized. There were very few water dams and pans. When the dams are constructed it could be used to generate electricity, used for fishing farming, irrigation, and recreational activities and even use the same electricity to pump water for irrigation and consumption. By interviewing the residents, they confirmed that there are more than thirty (30) waterfalls and cataracts on rivers. This is enough to generate electricity to serve the whole of Bomet County and sell the remaining to other Counties. A case point is in Tenwek Hospital which is generating electricity of 320 kilowatt (Kshs. 1.5 million). It was found out that the same plant can be improved to generate 860 kilowatts (Kshs. 3.0 million) per month. With the liberation of electricity bills which has been monopolized earlier by KENGEN, anybody can generate and sell electricity in Bomet County.

Tourism is an area which has not been exploited. Bomet County has very good scenery caves (6km long), Hills, rivers and waterfalls. Also Mau forest which have deep equatorial climatic condition good for hiking and life skills activities. Chepalungu forest which has been destroyed can be rehabilitated and elephants, lions, leopards, monkeys which were originally there could be re-introduced to make it a good tourist attraction site. Tourists' hotels could be build adjacent to the forest and therefore create jobs for the locals. The Dams which had earlier been proposed could create tourist attraction for sports, both for local and international tourists. (Source: Mr. Kosgey-Tenwek Hospital Administrator)

5.2.3 To Determine the Extent of Use of Intangible Resources Exploitation Combination

Strategies that give Competitive Advantage for Bomet County.

Resources alone cannot give competitive advantage. They require capabilities and strategies to work on tangible and intangible resources to produce results. People with entrepreneurial skills create economic activities like Hotel industry, retail shops, supermarkets, open market whole sales, transport, goodwill, and patent/copyright. This shows innovations, creativity and improvement of the products development will be of high quality which sustains competitive advantages. To undertake a competitive advantage over other counties the following academic and professional

qualification were required: Mechanical engineers, Educationists, Agriculture engineers, medical personnel, animal husbandry, water engineers, Hospital personnel and Entrepreneurial skills. Analysis of the data indicates that the presence of the professionals was below average. Research and Development department should be established in Bomet County as a strategic resource to exploit the chance available in the County. Leadership was another factor to make Bomet County competitive. Goodwill, patriotism, motivation are factors combined to exploit resources to get competitive advantage.

5.3 Conclusion

The data analysis shows that the level of utilisation of strategic resources in Bomet County was as follows: - land (56%), water (40%), tourism(30%)and human resource(56%). This shows that the strategic resources are not fully maximised. Therefore this calls upon the leadership of Bomet County to use their strategic resources wisely in order to achieve competitive advantage.

5.4 Policy Recommendations

The presence of favorable opportunities will encourage investors to invest in Bomet County. Leaders are encouraged to be visionary and strategic in the use of strategic resources. Resources are abundant in Bomet County, but resources alone cannot generate wealth required to competitive advantage than other counties. There are tangible and intangible resources which should be strategically combined and exploited for wealth generation. Adams Smiths & Peter Drucker (economist) have shown that the four factors of production are land, financial capital, labour and entrepreneurship. All these factors should be combined together to give Competitive Advantage to Bomet County. These require strong strategic management team, educated in relevant fields of professionalism and have got good will motivated to make Bomet County Prosperous. Relevant technology suitable to Bomet County should be established. Implementation of strategic plans should be done to generate wealth in Bomet County.

In conclusion, this calls for good leadership, professionalism, visionary, strategic, honesty, excellent performance and talent should all be combined and fully exploited to give Bomet County Competitive Advantage

5.5 Areas of further research

The researcher recommends further studies to be done by academicians on the utilization of strategic resources offering competitive advantage in Bomet County. There is also need for wider research in other Counties since County government is a new concept in Kenya.

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APPENDIX 1

Kabarak University
School of Business
Private Bag
Nakuru
Dear Sir/ Madam

MBA RESEARCH PROJECT

This letter is to introduce V. K. S. Tole to you an MBA student who is carrying out a study on Analysis of resources as a competitive advantage- a case of Bomet County. We kindly request you for assistance in information collection that may assist the researcher in attaining his objectives. Please also provide further comments or suggestions that you consider necessary in the analysis of resources as a source of competitive advantage in Bomet County.

Thank you

Yours faithfully

V. K. S. Tole
Researcher

Dr. L. W. Njanja
Supervisor
Senior Lecturer-Kabarak University

APPENDIX II

REPUBLIC OF KENYA



NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY

Telephone: 254-020-2213471, 2241349, 254 020-2673550
Mobile: 0713 788 787 , 0735 404 245
Fax: 254-020-2213215
When replying please quote
secretary@ncst.go.ke

P.O. Box 30623-00100
NAIROBI-KENYA
Website: www.ncst.go.ke

Our Ref: **NCST/RCD/14/013/1082**

Date: **18th June 2013**

Victor Kiptonui Siele Tole
Kabarak University
P.O Box 3270-200100
Nakuru.

RE: RESEARCH AUTHORIZATION

Following your application dated **12th June, 2013** for authority to carry out research on "*Analysis of strategic resources offering competitive advantage in Bomet County.*" I am pleased to inform you that you have been authorized to undertake research in **Bomet County** for a period ending **31st August, 2013.**

You are advised to report to the **District Commissioners, District Education Officers and District Agricultural Officers of Selected Districts in Bomet County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

A handwritten signature in black ink, appearing to read 'M. K. Rugutt'.

DR. M. K. RUGUTT, PHD, HSC.
DEPUTY COUNCIL SECRETARY

Copy to:
The District Commissioners
The District Education Officers
The District Agricultural Officers
Selected Districts.

"The National Council for Science and Technology is Committed to the Promotion of Science and Technology for National Development".

APPENDIX III: QUESTIONNAIRE

Resource Utilization and Availability Questionnaire –Bomet County

Background Information

The questionnaire will be used to collect information on resource availability and utilization in Bomet County for the purpose of this study only; the information gathered will not be used in any other way and will be kept strictly confidential. You are requested to respond to the questionnaire as honest as possible.

Part I: Personal Information

This section requires you to provide information concerning your personal details. Please tick appropriately.

1. Indicate your Gender: Male Female

2. Indicate your age bracket in years

Below 25yrs 26-30yrs 31-35yrs 36-45yrs Over 45yrs

3. What position do you hold in the county?

County Head of department

District Head of department

Divisional Head of department

Locational/School Head

Head of Subject(s) in School

Or Sub locational Head

4. Indicate your work station under the following headings:

County _____

District _____

Division _____

Location _____

5. Tick against the government ministry under which you work

- | | |
|---|--|
| <input type="checkbox"/> Ministry of Interior and Coordination of National Government | <input type="checkbox"/> Land, Housing and Urban Development |
| <input type="checkbox"/> Ministry of Devolution and Planning | <input type="checkbox"/> Information, Communication and Technology (ICT) |
| <input type="checkbox"/> Ministry of Defence | <input type="checkbox"/> Sports, Culture and the Arts |
| <input type="checkbox"/> Foreign Affairs | <input type="checkbox"/> Labour, Social Security and Services |
| <input type="checkbox"/> Education (Education, Science and Technology) | <input type="checkbox"/> Energy and Petroleum |
| <input type="checkbox"/> The National Treasury | <input type="checkbox"/> Agriculture, Livestock and Fisheries |
| <input type="checkbox"/> Health | <input type="checkbox"/> Industrialization and Enterprise Development |
| <input type="checkbox"/> Transport and Infrastructure | <input type="checkbox"/> Commerce, Tourism and EAC |
| | <input type="checkbox"/> Mining |

6. How long have you been working at this station?

Less than 1yr 2-5yrs 6-10yrs 10-15yrs over 15yrs

7. What is your highest academic qualification/level of education?

Primary Secondary College/Polytechnic Tertiary University

8. What area did you specialize in at your highest level of academic qualification?

Engineering ICT/Technology Agriculture Medicine

Education Commerce/Planning Finance Statistics

Livestock/Fisheries Other Social Service

Any other Specify _____

Part II: Land on Agriculture and Livestock

9. Indicate the extent to which the following Agricultural related activities are practiced in your area for sale or commercial purposes?

Activity	Not at all	Rarely	Average	Highly	Very Highly
Maize farming					
Wheat farming					
Tea farming					
Beef Cattle rearing					
Dairy farming					
Horticultural farming					
Poultry farming					

10. Indicate the extent to which the following Agricultural related activities are practiced in your area for home use or subsistence purposes?

Activity	Not at all	Rarely	Moderate	Highly	Very Highly
Maize farming					
Wheat farming					
Tea farming					
Beef Cattle rearing					
Dairy farming					
Horticultural farming					
Poultry farming					

11. Tick the amount of acreage of farm holding under the following agricultural activities in your area?

Activity	Zero	Less than 2 Acres	2- 5 Acres	6- 10 Acres	Over 10 Acres
Maize farming					
Wheat farming					
Tea farming					
Beef Cattle rearing					
Dairy farming					
Horticultural farming					
Flower farming					

12. Rate the output/produce from the following farming activities in Bomet county

Farming Activity	Very Low	Low	Average	High	Very High
Maize					
Wheat					
Tea					
Beef					
Dairy					
Horticultural Produce					
Poultry					
Flower produce					

13. Rate the kind of technology that is utilized to enhance farm produce in your area

Technology	Not used in any farm	Used in a few farms	Used in an average number of farms	Used in many farms	Used in very many farms
Irrigation					
Mechanization					
AI Services					
Cooler Plants					
Farm Input (eg Fertilizer)					
Greenhouse farming system					
Zero Grazing					
Ranch farming					
Paddocking					
Crop rotation					
Cross breeding					
Tissue culture					

14. In your opinion, rate the kind of technology which if fully utilized could enhance production and subsequent earning from the following farming activities in your area

Farming Activity / Technology used		Not at all	Fairly	Average	Highly	Very Highly
Maize	Hybrid seeds					
	Mechanization					
	Irrigation					
	Fertilizer					
	Large Storage facilities					
	Processing (e.g. Millers)					
Wheat	Hybrid seeds					
	Mechanization					
	Irrigation					
	Large Storage facilities					
	Fertilizer					
	Processing (e.g. Millers)					
Tea	Hybrid seeds					
	Mechanization					
	Irrigation					
	Fertilizer					
	Tissue culture					
	Processing (e.g. Packaging)					
Horticultural	Hybrid seeds					
	Mechanization					
	Irrigation					

Farming Activity / Technology used	Not at all	Fairly	Average	Highly	Very Highly
Fertilizer					
Tissue culture					
Processing (e.g. Packaging&Canning)					
Beef					
AI services					
Cross Breeding					
Beef canning					
Refrigerated Meat Transport System					
Dairy					
AI services					
Cross Breeding					
Milk Cooling plants					
Packaging					
Refrigerated Milk Transport System					

Part III: Water Resource

15. Rate the following on the given scale

Resource/Activity	None	very few	Few	many	very many
a) How many dams are in your area					
b) How many of the dams are used for irrigation					
c) How many of the dams are used for fishing					
d) How many of the dams are used for recreational activities (e.g. Sport)					
e) How many rivers are in your area					
f) How many of the rivers are used for irrigation					
g) How many of the rivers have potential waterfalls for power generation					
h) How many of the rivers are used for fishing					
i) How many of the rivers are used for recreational activities (e.g. Sport)					

Part IV: Tourism

16. Rate the following tourism related statements

Resource/Activity	None	Very few	Few	Many	Very many
a) Are there tourists attraction sites in your area					
b) Are there eco-tourist attraction sites in your area					
c) Rate the number of tourists visiting those attraction sites					
d) Are there tourist hotels in your area					
e) Rate the number of tourists visiting the hotels					
f) Rate the number of local tourists visiting the attraction sites					
g) What number of people engage in eco-tourist in your area					

Part V: Human Resource

17. Rate the number of people who engage in the following economic activities in the county

Economic activity	None	Very few	Few	Many	Very many
Hotel industry					
Retail shops					
Supermarkets					
Open markets					
Wholesales					
Transport					
Good will					
Patent /Copy right					

18. Rate the number of people with the following academic and professional qualification in your area

Economic activity	None	Very few	Few	Many	Very many
Mechanical Engineers					
Educationists					
Agricultural Engineers					
Medical personnel					
Animal husbandry					
Water Engineers					
Hospitality personnel					
Entrepreneurial Skills					

19. Rate the type of leadership in your area (Bomet County)

Leadership	Very rare	Rare	Neutral	Common	Very common
Professionalism					
Visionary					
Strategic					
Honesty					
Performance					
Talented					

20. Tick your appropriate response in the following table (SD – Strongly Disagree, D – Disagree, A – Agree, and SA – Strongly Agree)

Statement	Neutral	SD	D	A	SA
a) Land in my area has been put to maximum agricultural activity					
b) The people in my area value agricultural activities					
c) Leaders in my area emphasis maximum use of land					
d) Many workshops organized on agriculture related activities are usually highly attended in this area					
e) Agricultural products in this area are processed (packing of milk) before being released to the market					
f) People in this area have plans to maximize river water on irrigation					
g) People in this area have plans to use the rivers in power generation					
h) In my area, rain water is harvested and used for irrigation					
i) Rivers and dams in this area are maximumly used for fishing					
j) There are strong plans now than ever to tap tourism in this area					
k) Eco-tourism has been enhanced in this area					
l) There plans to construct more tourist hotels in this area for local and international tourists					
m) Highly qualified personnel is employed in all key sectors of production					
n) The products of this area are of high quality					
o) People in this area exploit their talents(sports, ICT, cultural, entrepreneurial skills) for the benefits of the community					

THANK YOU & GOD BLESS YOU

APPENDIX IV: BOMETCOUNTY

Sub-County	Division	Locations		
Sotik	Ndanai	Abosi	Kaboson	Chemaner
Chepalungu	Chemakel	Kapletundo	Kapkesosio	Kembu
Bomet central	Sigor	Gelegel	Lelachtich	Cheboin
Bomet east	Siongiroi	Kimolwet	Cheleget	Kiplabotwo
Konoin	Bomet central	Minaret	Sugurmega	Kipreres
	Longisa	Chebilat	Siongiroi	Kapkimolwo
	Mogogosiek	Rongena	Bingwa	Kimuchul
	Koiwa	Tembwo	Kamaget	Itembe
	Kimulot	Kimawawit	Chebunyo	Kyokong
		Chemagel	Mogor	Kimulot
		Kiptulwo	Kongasis	Chebangang
		Yaganek	Makimeny	Saosa
		Kaplong	Ndaraweta	Kaptien
		Kanusin	Merigi	Kaptebengwet
		Ndanai	Sibaiyan	Mogosiek
		Kamungei	Township	Mosonik
		Kapkelei	Singorwet	Koiwa
		Chebirbelek	Chesoen	Simoti
		Muturakwa	Kiromwok	Boito
		Sigor	Tegat	Chemelet
		Cheptalal	Embomos	Sotit
	Satiet	Kiptenden	Mugango	

APPENDIX IV: BOMET PHOTOS

**MAIZE FARMING AS CASH AND
SUBSISTENCE CROP**



LIVESTOCK- DAIRY FARMING



WATER – RIVERS/FISH FARMING



WATER – UNDERUTILISED RESOURCE



WATER – UTILISED RESOURCE

DAM/FISHING/POWER/SPORTING ACTIVITIES



ECO-TOURISM – KIPSIGIS DANCING

WILDLIFE AND TOURISM





